

AMENDED IN ASSEMBLY AUGUST 22, 2005

AMENDED IN ASSEMBLY JULY 13, 2005

AMENDED IN ASSEMBLY JUNE 20, 2005

AMENDED IN SENATE MAY 4, 2005

AMENDED IN SENATE APRIL 25, 2005

## SENATE BILL

**No. 512**

**Introduced by Committee on Education (Senators Scott (Chair),  
Alquist, Denham, Dutton, Lowenthal, Maldonado, Morrow,  
Romero, Simitian, Soto, Speier, and Torlakson)**  
(Coauthor: Assembly Member Huff)

February 18, 2005

---

An act to amend Section 1798.3 of the Civil Code, to amend Sections 1628, 1629, 8092, 8212, 8222, 8226, 8352, ~~15146~~, ~~8421~~, ~~17592.70~~, 38101, 41327.2, 41344, 41344.1, 41402, 41511, 41521, 41530, 41976, 41976.5, 42127, 42132, ~~42238.23~~, 42282, 42282.1, 42285, 44225.6, 44252.1, 44664, 45037, 48660.2, 48900.8, 48980, 49423, 49423.1, 51226.1, ~~52515~~, 52520, 52570, 52571, 52572, 54749, 56195.7, and 56362.7 of, to add Sections 42285.4, 44265.6, and 56836.07 to, to repeal Section 52247 of, and to repeal and add Section 48213 of, the Education Code, to amend Section 7572.5 of the Government Code, to repeal Chapter 1.2 (commencing with Section 628) of Title 15 of Part 1 of the Penal Code, ~~and to amend Section 34501.5 of the Vehicle Code, to amend Section 11 of Chapter 14 of the Statutes of 2003, to amend Item 6110-183-0890 of Section 2.00 of Chapter 208 of the Statutes of 2004, and to amend Section 18 of Chapter 895 of the Statutes of 2004,~~ relating to public schools, *making an appropriation therefor*, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

SB 512, as amended, Committee on Education. Education omnibus.

(1) Existing law requires, by September 15 of each year, a county superintendent of schools to prepare and file with the Superintendent of Public Instruction a statement of all receipts and expenditures of the county office of education for the preceding fiscal year.

This bill would instead require a county superintendent of schools to prepare and file that statement by October 15 of each year.

(2) Existing law requires, by September 30 of each year, a county board of education to adopt a resolution to identify the estimated appropriations limit for the county office of education for the current fiscal year and the actual appropriations limit for the county office of education for the preceding fiscal year.

This bill would instead require a county board of education to adopt that resolution by October 15 of each year.

~~(3) Existing law authorizes, except as otherwise provided by law, the governing board of a school district or community college district, when in its judgment it is advisable, and requires, upon a petition of the majority of the qualified electors residing in the school district or community college district, that the governing board of a school district or community college district order an election and submit to the electors of the district the question of whether the bonds of the district shall be issued and sold for the specified purposes of raising moneys.~~

~~Existing law requires that the proceeds of the sale of the bonds, exclusive of any premium received, be deposited in the county treasury to the credit of the building fund of the school district, or the community college district as designated by the California Community Colleges Budget and Accounting Manual. Existing law requires that any premium or accrued interest received from the sale of the bonds be deposited in the interest and sinking fund of the district.~~

~~This bill would instead require that the proceeds of the sale of bonds issued to refund outstanding bonds be deposited in the interest and sinking fund of the district.~~

~~(3) Existing law establishes the 21st Century High School After School Safety and Enrichment for Teens program to create incentives for establishing locally driven after school enrichment programs for high school pupils in the hours after the regular schoolday. Existing law requires a high school after school program established under the~~

*program to comply with locally determined requirements related to hours and days of program operation through the 2004-05 fiscal year and, commencing with the 2005-06 fiscal year and thereafter, to comply with the requirements of the State Department of Education related to the hours and days of program operation.*

*This bill would instead require a high school after school program to comply with those locally determined requirements through the 2005-06 fiscal year and with those requirements of the department commencing with the 2006-07 fiscal year and thereafter.*

*(4) Existing law establishes the School Facilities Needs Assessment Grant Program, administered by the State Allocation Board, for the purpose of awarding grants to school districts on behalf of schoolsites ranked in deciles 1 to 3, inclusive, on the Academic Performance Index (API), as specified, to conduct a one-time comprehensive assessment of school facilities needs. Under the program, the State Department of Education is required to estimate an API score for any school meeting certain criteria.*

*This bill would revise the type of schools for which the department is required to estimate an API score. The bill would also exclude certain schools from those schools ranked in deciles 1 to 3, inclusive, on the 2003 base API.*

~~(4)~~

*(5) Existing law requires the Superintendent of Public Instruction and the Director of Finance to jointly establish a plan for repayment of school funds that a local educational agency received on the basis of average daily attendance that did not comply with statutory or regulatory requirements that were conditions of apportionments, as determined by an audit or review. Existing law establishes the Education Audit Appeals Panel and requires the panel to hear an appeal of a finding of a final audit report resulting from an audit or review. Existing law authorizes the executive officer of the panel to order or propose a reduction of repayment, under specified circumstances.*

*This bill would, in addition, require the Superintendent of Public Instruction and the Director of Finance to jointly establish a plan for repayment of a penalty arising from an audit exception. The bill would also authorize the executive officer of the panel to waive repayment, or payment of a penalty, under specified circumstances.*

~~(5)~~

(6) Existing law establishes maximum ratios of administrative employees to teachers, but exempts from those ratios a school district that has only one school and one administrator.

This bill would instead exempt from those ratios a school district that has one or fewer administrators.

~~(6)~~

(7) Existing law establishes the school safety consolidated competitive grant, from which grant funds are distributed to school districts in order to carry out one or more purposes for which various specified programs were established, including the development of safety plans for new schools. Existing law also makes a school district and a county office of education responsible for the overall development of comprehensive school safety plans.

This bill would declare that funds distributed from the school safety consolidated competitive grant to a school district in order to develop safety plans for new schools are revenues that offset any reimbursable mandate claim for the development of comprehensive school safety plans.

~~(7)~~

(8) Existing law establishes the professional development block grant, which is composed of funding from, and for, specified existing categorical education programs. Existing law authorizes a school district to expend block grant funds if the school district provides each teacher of kindergarten or any of grades 1 to 6, inclusive, with opportunities to participate in professional development activities, as specified.

This bill would delete that condition.

~~(8)~~

(9) Existing law requires the governing board of a school district to adopt an annual budget, and requires the county superintendent of schools who has jurisdiction over that school district to approve, conditionally approve, or disapprove the adopted budget.

This bill would require the governing board of a school district whose adopted budget was disapproved, and the county superintendent of schools who has jurisdiction over that school district, to review the disapproval and the recommendations of the county superintendent of schools regarding revision of the budget at a public hearing, as specified. To the extent that this bill would impose additional duties on a school district, the bill would create a state-mandated local program.

~~(9)~~

(10) Existing law requires, by September 30 of each year, the governing board of a school district to adopt a resolution to identify the estimated appropriations limit for the school district for the current fiscal year and the actual appropriations limit for the school district for the preceding fiscal year.

This bill would instead require the governing board of a school district to adopt that resolution by September 15 of each year.

~~(10)~~

(11) Existing law requires a county superintendent of schools to make a funding computation for a school district with a necessary small school, and requires that computation be adjusted for excused absences by reducing average daily attendance by the statewide average rate of excused absence reported for high school districts for the 1996-97 fiscal year, as specified.

This bill would instead require that computation be adjusted for excused absences by reducing average daily attendance by the statewide average rate of excused absence reported for elementary school districts for the 1996-97 fiscal year, as specified.

~~(11)~~

(12) Existing law requires the Commission on Teacher Credentialing to adopt regulations to provide a grace period for candidates enrolled in specified credential programs to complete the requirements of the program, without being required to meet new requirements. Under existing law, these provisions will be repealed by their own terms on January 1, 2006.

This bill would delete the repeal provision in existing law.

~~(12)~~

(13) Existing law requires the Commission on Teacher Credentialing to issue a 2-year nonrenewable preliminary specialist instruction credential, and a 2-year services credential with a specialization in pupil personnel services, solely for the purpose of providing specified instruction and services to deaf or hearing-impaired pupils, to a prelingual deaf candidate, upon the satisfaction of specified conditions and requirements, including medical or other appropriate professional verifications.

This bill would, upon the request of a school district, county office of education, or state special school, require the Commission on Teacher Credentialing to determine specific requirements for, and issue, a one-year specialist instruction emergency permit, solely for

the purpose of instructing deaf or hearing-impaired pupils, to a prelingual deaf candidate, upon medical or other appropriate professional verifications.

~~(13)~~

(14) Existing law requires a school district to evaluate and assess the performance of a certificated employee with permanent status who has been employed at least 10 years with the school district, is highly qualified, as defined, and whose previous evaluation rated the employee as meeting or exceeding standards.

This bill would require a school district to evaluate and assess that certificated employee only if he or she occupies a position that is required to be filled by a highly qualified professional.

~~(14)~~

(15) Existing law requires the Superintendent of Public Instruction to adopt a curriculum framework, as specified, that offers a blueprint for implementation of career and technical education, no later than June 1, 2006.

This bill would postpone the fulfillment of that requirement until April 1, 2007.

~~(15)~~

(16) Existing law establishes the Advanced Placement Challenge Grant Program under which a high school designs and implements a plan that is intended to result in its pupils having access to at least 4 advanced placement courses in core curriculum areas. Existing law also requires the Superintendent of Public Instruction to administer a grant program for advanced placement professional development under which nonrenewable 4-year grants are awarded on a competitive basis to no more than 550 high schools to establish, train, and support teams of teachers or purchase instructional materials and equipment for those courses.

This bill would delete those provisions.

~~(16)~~

(17) Existing law authorizes a pupil suspected of needing mental health services to be referred to a community mental health service. Existing law also requires the Superintendent of Public Instruction to make specified computations to determine funding for a special education local plan area.

This bill would require the Superintendent to allocate funds appropriated in the annual Budget Act to a special education local plan area, and a proportionate share, as specified, to the Los Angeles

County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, for purposes of those referred pupils. The bill would declare that, due to the unique situation of that special education local plan area, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution, and the enactment of a special statute is therefore necessary.

(17)

(18) Existing law requires, by June 30, 1995, the State Department of Education, in consultation with the Department of Justice and a representative ~~election~~ *selection* of school districts and county offices of education, to currently compile school crime statistics and to develop a standard school crime reporting form for use by all school districts and county offices of education throughout the state. Existing law requires each principal of a school in a school district and each principal or director of a school, program, or camp under the jurisdiction of the county superintendent of schools to report crimes, and requires the superintendent of any school district to submit various reports, as specified. Existing law requires the State Department of Education to publish and distribute to all school districts and county offices of education an annual school crime reporting update that describes typical errors in school crime reporting procedures, describes effective and efficient methods of monitoring and recording school crime data, and identifies trends in school crime drawn from the annual school crime report submitted to the Legislature.

This bill would repeal those provisions.

(19) *Existing law, notwithstanding any provision of law to the contrary and from June 1, 2003, to June 30, 2005, inclusive, permits the Oakland Unified School District to sell property owned by the district and to use the proceeds from the sale to reduce or retire the emergency loan provided to that school district pursuant to existing law. Existing law also provides that, for that period of time, the Oakland Unified School District is ineligible for hardship assistance under the Leroy F. Greene School Facilities Act of 1998.*

*This bill would extend the time period during which the Oakland Unified School District may sell property as described above, and the period during which the district is ineligible for hardship assistance, to June 30, 2007.*

(20) Existing law requires the governing board of a school district maintaining an elementary or secondary school to develop and cause to be implemented for each school in the school district a School Accountability Report Card that includes specified information regarding the academic achievement of the school.

Existing law requires the Commission on State Mandates, on or before December 31, 2005, to reconsider a certain decision it issued relating to state reimbursement for the School Accountability Report Card, and to reconsider its parameters and guidelines for calculating the state reimbursement for certain mandates in light of federal statutes enacted and state court decisions rendered since those mandates were enacted.

This bill would, in addition, require the commission to reconsider a certain other mandate on or before January 31, 2006. The bill would require the commission's decision on its reconsiderations to apply retroactively to January 1, 2005, would require the parameters and guidelines to conform to the decision of the commission on its reconsiderations, and would declare certain related legislative findings.

(21) Existing law establishes the Golden State Scholarshare Trust Act, pursuant to which participants invest money in the Golden State Scholarshare Trust for the benefit of a specific beneficiary for the purposes of the beneficiary's higher education expenses. The act also establishes the Scholarshare Investment Board as the trustee of the Golden State Scholarshare Trust, and vests in the board the purposes, powers, and duties of the trust.

Existing law also establishes the California Memorial Scholarship Program, and provides for its administration by the Scholarshare Investment Board. Under the program, which is funded by the California Memorial Scholarship Fund, scholarships are provided for surviving dependents of California residents killed as a result of injuries sustained during the terrorist attacks of September 11, 2001.

This bill would appropriate \$130,000, as provided, from the California Memorial Scholarship Fund to the Scholarshare Investment Board for the purposes of establishing individual scholarship accounts for eligible participants in the program and for the administrative costs of the board.

(18)

(22) This bill would also delete and replace obsolete and incorrect references in existing law, and would clarify various provisions and make various corrections in existing law.

(19)

(23) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(20)

(24) This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: ~~no~~ yes. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1798.3 of the Civil Code is amended to  
2 read:

3 1798.3. As used in this chapter:

4 (a) The term “personal information” means any information  
5 that is maintained by an agency that identifies or describes an  
6 individual, including, but not limited to, his or her name, social  
7 security number, physical description, home address, home  
8 telephone number, education, financial matters, and medical or  
9 employment history. It includes statements made by, or attributed  
10 to, the individual.

11 (b) The term “agency” means every state office, officer,  
12 department, division, bureau, board, commission, or other state  
13 agency, except that the term agency shall not include:

14 (1) The California Legislature.

15 (2) Any agency established under Article VI of the California  
16 Constitution.

(3) The State Compensation Insurance Fund, except as to any records which contain personal information about the employees of the State Compensation Insurance Fund.

(4) A local agency, as defined in subdivision (a) of Section 6252 of the Government Code.

(c) The term “disclose” means to disclose, release, transfer, disseminate, or otherwise communicate all or any part of any record orally, in writing, or by electronic or any other means to any person or entity.

(d) The term “individual” means a natural person.

(e) The term “maintain” includes maintain, acquire, use, or disclose.

(f) The term “person” means any natural person, corporation, partnership, limited liability company, firm, or association.

(g) The term “record” means any file or grouping of information about an individual that is maintained by an agency by reference to an identifying particular such as the individual’s name, photograph, finger or voice print, or a number or symbol assigned to the individual.

(h) The term “system of records” means one or more records, which pertain to one or more individuals, which is maintained by any agency, from which information is retrieved by the name of an individual or by some identifying number, symbol or other identifying particular assigned to the individual.

(i) The term “governmental entity,” except as used in Section 1798.26, means any branch of the federal government or of the local government.

(j) The term “commercial purpose” means any purpose which has financial gain as a major objective. It does not include the gathering or dissemination of newsworthy facts by a publisher or broadcaster.

(k) The term “regulatory agency” means the Department of Financial Institutions, the Department of Corporations, the Department of Insurance, the Department of Real Estate, and agencies of the United States or of any other state responsible for regulating financial institutions.

SEC. 2. Section 1628 of the Education Code is amended to read:

1628. On or before October 15 *of* each year, the county superintendent of schools shall prepare and file with the

1 Superintendent, along with the statements received pursuant to  
2 subdivision (b) of Section 42100, a statement of all receipts and  
3 expenditures of the county office of education for the preceding  
4 fiscal year. The statement shall be in a format or on forms  
5 prescribed by the Superintendent, in accordance with regulations  
6 adopted by the State Board of Education. These forms may be  
7 amended periodically by the Superintendent to accommodate  
8 changes in statute or government reporting standards.

9 SEC. 3. Section 1629 of the Education Code is amended to  
10 read:

11 1629. On or before October 15 of each year, the county board  
12 of education shall adopt a resolution to identify, pursuant to  
13 Division 9 (commencing with Section 7900) of Title 1 of the  
14 Government Code, the estimated appropriations limit for the  
15 county office of education for the current fiscal year and the  
16 actual appropriations limit for the county office of education for  
17 the preceding fiscal year. That resolution shall be adopted at a  
18 regular or special meeting of the board. Notwithstanding Section  
19 7910 of the Government Code, documentation used in the  
20 identification of the appropriations limits shall be made available  
21 to the public on the date of the meeting at which the resolution is  
22 adopted.

23 SEC. 4. Section 8092 of the Education Code is amended to  
24 read:

25 8092. (a) A school district or districts, a county  
26 superintendent or superintendents, or the governing body of any  
27 agency maintaining a regional occupational center or program  
28 may contract with a private postsecondary school that is  
29 authorized or approved pursuant to Chapter 3 (commencing with  
30 Section 94300) of Part 59 and that has been in operation not less  
31 than two full calendar years prior to the effective date of the  
32 contract, to provide career technical skill training authorized by  
33 this code. A school district, community college district, or county  
34 superintendent of schools may contract with an activity center,  
35 work activity center, or sheltered workshop to provide career  
36 technical skill training authorized by this code in an adult  
37 education program for adults with disabilities operated pursuant  
38 to subdivision (a) of Section 41976.

39 (b) A contract between a public entity and a private  
40 postsecondary school entered into pursuant to this section, or an

1 activity center, work activity center, or sheltered workshop, shall  
2 do all of the following:

3 (1) Provide that the amount contracted for per student shall not  
4 exceed the total direct and indirect costs to provide the same  
5 training in the public schools or the tuition the private  
6 postsecondary school charges its private students, whichever is  
7 lower.

8 (2) Provide that the public school receiving training in a  
9 private postsecondary school, or an activity center, work activity  
10 center, or sheltered workshop pursuant to that contract may not  
11 be charged additional tuition for any training included in the  
12 contract. The attendance of those students pursuant to a contract  
13 authorized by this section shall be credited to the public entity for  
14 the purposes of apportionments from the State School Fund.

15 (3) Provide that all programs, courses, and classes of  
16 instruction shall meet the standards set forth in the California  
17 State Plan for Career Technical Education, or is a course of study  
18 for adult schools approved by the department under Section  
19 51056.

20 (c) The students who attend a private postsecondary school or  
21 an activity center, work activity center, or sheltered workshop  
22 pursuant to a contract under this section shall be enrollees of the  
23 public entity and the career technical instruction provided  
24 pursuant to that contract shall be under the exclusive control and  
25 management of the governing body of the contracting public  
26 entity.

27 (d) The Department of Finance and the State Department of  
28 Education may audit the accounts of both the public entity and  
29 the private party involved in these contracts to the extent  
30 necessary to ensure the integrity of the public funds involved.

31 SEC. 5. Section 8212 of the Education Code is amended to  
32 read:

33 8212. For purposes of this article, child care resource and  
34 referral programs, established to serve a defined geographic area,  
35 shall provide the following services:

36 (a) Identification of the full range of existing child care  
37 services through information provided by all relevant public and  
38 private agencies in the areas of service, and the development of a  
39 resource file of those services which shall be maintained and  
40 updated at least quarterly. These services shall include, but not be

1 limited to, family day care homes, public and private day care  
2 programs, full-time and part-time programs, and infant,  
3 preschool, and extended care programs.

4 The resource file shall include, but not be limited to, the  
5 following information:

- 6 (1) Type of program.
- 7 (2) Hours of service.
- 8 (3) Ages of children served.
- 9 (4) Fees and eligibility for services.
- 10 (5) Significant program information.

11 (b) (1) Establishment of a referral process which responds to  
12 parental need for information and which is provided with full  
13 recognition of the confidentiality rights of parents. Resource and  
14 referral programs shall make referrals to licensed child day care  
15 facilities. Referrals shall be made to unlicensed care facilities  
16 only if there is no requirement that the facility be licensed. The  
17 referral process shall afford parents maximum access to all  
18 referral information. This access shall include, but is not limited  
19 to, telephone referrals to be made available for at least 30 hours  
20 per week as part of a full week of operation. Every effort shall be  
21 made to reach all parents within the defined geographic area,  
22 including, but not limited to, any of the following:

- 23 (A) Toll-free telephone lines.
- 24 (B) Office space convenient to parents and providers.
- 25 (C) Referrals in languages which are spoken in the  
26 community.

27 Each child care resource and referral program shall publicize  
28 its services through all available media sources, agencies, and  
29 other appropriate methods.

30 (2) (A) Provision of information to any person who requests a  
31 child care referral of his or her right to view the licensing  
32 information of a licensed child day care facility required to be  
33 maintained at the facility pursuant to Section 1596.859 of the  
34 Health and Safety Code and to access any public files pertaining  
35 to the facility that are maintained by the State Department of  
36 Social Services Community Care Licensing Division.

37 (B) A written or oral advisement in substantially the following  
38 form will comply with the requirements of subparagraph (A):

39 “State law requires licensed child day care facilities to make  
40 accessible to the public a copy of any licensing report pertaining

1 to the facility that documents a facility visit or a substantiated  
2 complaint investigation. In addition, a more complete file  
3 regarding a child care licensee may be available at an office of  
4 the State Department of Social Services Community Care  
5 Licensing Division. You have the right to access any public  
6 information in these files.”

7 (c) Maintenance of ongoing documentation of requests for  
8 service tabulated through the internal referral process. The  
9 following documentation of requests for service shall be  
10 maintained by all child care resource and referral programs:

11 (1) Number of calls and contacts to the child care information  
12 and referral program or component.

13 (2) Ages of children served.

14 (3) Time category of child care request for each child.

15 (4) Special time category, such as nights, weekends, and swing  
16 shift.

17 (5) Reason that the child care is needed.

18 This information shall be maintained in a manner that is easily  
19 accessible for dissemination purposes.

20 (d) Provision of technical assistance to existing and potential  
21 providers of all types of child care services. This assistance shall  
22 include, but not be limited to:

23 (1) Information on all aspects of initiating new child care  
24 services including, but not limited to, licensing, zoning, program  
25 and budget development, and assistance in finding this  
26 information from other sources.

27 (2) Information and resources that help existing child care  
28 services providers to maximize their ability to serve the children  
29 and parents of their community.

30 (3) Dissemination of information on current public issues  
31 affecting the local and state delivery of child care services.

32 (4) Facilitation of communication between existing child care  
33 and child-related services providers in the community served.

34 Services prescribed by this section shall be provided in order to  
35 maximize parental choice in the selection of child care to  
36 facilitate the maintenance and development of child care services  
37 and resources.

38 (e) (1) A program operating pursuant to this article shall,  
39 within two business days of receiving notice, remove a licensed  
40 child day care facility with a revocation or a temporary

1 suspension order, or that is on probation from the program's  
2 referral list.

3 (2) A program operating pursuant to this article shall, within  
4 two business days of receiving notice, notify all entities,  
5 operating a program under Article 3 (commencing with Section  
6 8220) and Article 15.5 (commencing with Section 8350) in the  
7 program's jurisdiction, of a licensed child day care facility with a  
8 revocation or a temporary suspension order, or that is on  
9 probation.

10 SEC. 5.5. *Section 8222 of the Education Code is amended to*  
11 *read:*

12 8222. Payments made by alternative payment programs shall  
13 be equal to the fee charged to full-cost families in each program,  
14 *not to exceed the applicable market rate ceiling.* Alternative  
15 payment programs may expend more than the standard  
16 reimbursement rate for a particular child. However, the aggregate  
17 payments for services purchased by the agency during the  
18 contract year may not exceed the assigned reimbursable amount  
19 as established by the contract for the year.

20 ~~Currently funded agencies making~~ *No agency may make*  
21 *payments in excess of the fee charged to full-cost families* ~~shall~~  
22 ~~come into compliance with this section by January 1, 1981.~~

23 This section does not preclude alternative payment programs  
24 from using the average daily enrollment adjustment factors for  
25 children with ~~special~~ *exceptional* needs as provided in Section  
26 8265.5.

27 SEC. 6. Section 8226 of the Education Code is amended to  
28 read:

29 8226. (a) When making referrals, every program operating  
30 pursuant to this article shall provide information to any person  
31 who requests a child care referral of his or her right to view the  
32 licensing information of a licensed child day care facility  
33 required to be maintained at the facility pursuant to Section  
34 1596.859 of the Health and Safety Code and to access any public  
35 files pertaining to the facility that are maintained by the State  
36 Department of Social Services Community Care Licensing  
37 Division.

38 (b) A written or oral advisement in substantially the following  
39 form will comply with the requirements of subdivision (a):

1 “State law requires licensed child day care facilities to make  
2 accessible to the public a copy of any licensing report pertaining  
3 to the facility that documents a facility visit or a substantiated  
4 complaint investigation. In addition, a more complete file  
5 regarding a child care licensee may be available at an office of  
6 the State Department of Social Services Community Care  
7 Licensing Division. You have the right to access any public  
8 information in these files.”

9 (c) Every program operating pursuant to this article shall,  
10 within two days of receiving notice, remove from the program’s  
11 referral list the name of any licensed child day care facility with  
12 a revocation or a temporary suspension order or that is on  
13 probation.

14 (d) A program operating pursuant to this article shall, within  
15 two business days of being notified of a revocation or a  
16 temporary suspension order for a licensed child day care facility,  
17 do both of the following:

18 (1) Terminate payment to the facility.

19 (2) Notify each parent and the facility in writing that payment  
20 has been terminated and the reason for the termination.

21 (e) A program operating pursuant to this article shall, upon  
22 being notified that a licensed child day care facility has been  
23 placed on probation, provide written notice to each parent  
24 utilizing the facility that the facility has been placed on probation  
25 and that the parent has the option of selecting a different child  
26 day care provider or remaining with the facility without risk of  
27 subsidy payments to the provider being terminated. The  
28 Legislature urges each agency operating pursuant to this section  
29 to provide the written notice required by this subdivision in the  
30 primary language of the parent, to the extent feasible.

31 SEC. 7. Section 8352 of the Education Code is amended to  
32 read:

33 8352. (a) As soon as appropriate, a county welfare  
34 department shall refer families needing child care services to the  
35 local child care resource and referral program funded pursuant to  
36 Article 2 (commencing with Section 8210). Resource and referral  
37 program staff shall colocate with a county welfare department’s  
38 case management offices for aid under Chapter 2 (commencing  
39 with Section 11200) of Part 3 of Division 9 of the Welfare and  
40 Institutions Code, or any successor program, or arrange other

1 means of swift communication with parents and case managers  
2 of this aid. The local child care resource and referral program  
3 shall assist families to establish stable child care arrangements as  
4 soon as possible. These child care arrangements may include  
5 licensed and license-exempt care.

6 (b) A program operating pursuant to this article shall, within  
7 two business days of being notified of a revocation or a  
8 temporary suspension order for a licensed child day care facility,  
9 do both of the following:

10 (1) Terminate payment to the facility.

11 (2) Notify each parent and the facility in writing that payment  
12 has been terminated and the reason for the termination.

13 (c) A program operating pursuant to this article shall, upon  
14 being notified that a licensed child care facility has been placed  
15 on probation, provide written notice to each parent utilizing the  
16 facility that the facility has been placed on probation and that the  
17 parent has the option of selecting a different child day care  
18 provider or remaining with the facility without risk of subsidy  
19 payments to the provider being terminated. The Legislature urges  
20 each agency operating pursuant to this section to provide the  
21 written notice required by this subdivision in the primary  
22 language of the parent, to the extent feasible.

23 ~~SEC. 8. Section 15146 of the Education Code is amended to~~  
24 ~~read:~~

25 ~~15146. (a) The bonds shall be issued and sold pursuant to~~  
26 ~~Section 15140, payable out of the interest and sinking fund of the~~  
27 ~~district. The governing board may sell the bonds at a negotiated~~  
28 ~~sale or by competitive bidding. The bonds may be sold at a~~  
29 ~~discount not to exceed 5 percent and at an interest rate not to~~  
30 ~~exceed the maximum rate permitted by law. If the sale is by~~  
31 ~~competitive bid, the governing board shall comply with Sections~~  
32 ~~15147 and 15148. The bonds shall be sold by the governing~~  
33 ~~board no later than the date designated by the governing board as~~  
34 ~~the final date for the sale of the bonds.~~

35 ~~(b) The proceeds of the sale of the bonds, exclusive of any~~  
36 ~~premium received, shall be deposited in the county treasury to~~  
37 ~~the credit of the building fund of the school district, or~~  
38 ~~community college district as designated by the California~~  
39 ~~Community Colleges Budget and Accounting Manual. The~~  
40 ~~proceeds deposited shall be drawn out as other school moneys~~

1 are drawn out. The bond proceeds withdrawn shall not be applied  
2 to any other purposes than those for which the bonds were  
3 issued. Any premium or accrued interest received from the sale  
4 of the bonds shall be deposited in the interest and sinking fund of  
5 the district.

6 (c) The governing board may cause to be deposited proceeds  
7 of sale of any series of the bonds in an amount not exceeding 2  
8 percent of the principal amount of the bonds in a costs of  
9 issuance account, which may be created in the county treasury or  
10 held by a fiscal agent appointed by the district for this purpose,  
11 separate from the building fund and the interest and sinking fund  
12 of the district. The proceeds deposited shall be drawn out on the  
13 order of the governing board or an officer of the district duly  
14 authorized by the governing board to make the order, only to pay  
15 authorized costs of issuance of the bonds. Upon the order of the  
16 governing board or duly authorized officer, the remaining  
17 balance shall be transferred to the county treasury to the credit of  
18 the building fund of the school district or community college  
19 district. The deposit of bond proceeds pursuant to this  
20 subdivision shall be a proper charge against the building fund of  
21 the district.

22 (d) The governing board may cause to be deposited proceeds  
23 of sale of any series of the bonds in the interest and sinking fund  
24 of the district in the amount of the annual reserve permitted by  
25 Section 15250 or in any lesser amount, as the governing board  
26 shall determine from time to time. The deposit of bond proceeds  
27 pursuant to this subdivision shall be a proper charge against the  
28 building fund of the district.

29 (e) The governing board may cause to be deposited proceeds  
30 of sale of any series of the bonds in the interest and sinking fund  
31 of the district in the amount not exceeding the interest scheduled  
32 to become due on that series of bonds for a period of two years  
33 from the date of issuance of that series of bonds. The deposit of  
34 bonds proceeds pursuant to this subdivision shall be a proper  
35 charge against the building fund of the district.

36 (f) Notwithstanding subdivision (b), the proceeds of the sale of  
37 bonds issued to refund outstanding bonds pursuant to subdivision  
38 (g) of Section 15100, or Article 9 (commencing with Section  
39 53550) of Chapter 3 of Part 1 of Division 2 of the Government

1 ~~Code, shall be deposited in the interest and sinking fund of the~~  
2 ~~district.~~

3 *SEC. 8. Section 8421 of the Education Code is amended to*  
4 *read:*

5 8421. There is hereby established the 21st Century High  
6 School After School Safety and Enrichment for Teens program.  
7 The purpose of the program is to create incentives for  
8 establishing locally driven after school enrichment programs that  
9 partner schools and communities to provide academic support  
10 and safe, constructive alternatives for high school pupils in the  
11 hours after the regular schoolday.

12 (a) A minimum of 10 high school after school programs shall  
13 be established to serve pupils in grades 9 to 12, inclusive.

14 (b) A high school after school program established pursuant to  
15 this article shall consist of the following two components:

16 (1) An academic assistance component that shall include, but  
17 need not be limited to, at least one of the following: preparation  
18 for the high school exit examination, tutoring, homework  
19 assistance, or college preparation, including information about  
20 the Cal Grant Program established pursuant to Article 3  
21 (commencing with Section 69530) of Chapter 2 of Part 42. The  
22 assistance shall be aligned with the ~~pupils~~<sup>2</sup> regular academic  
23 programs *of the pupils*.

24 (2) An enrichment activities component that may include, but  
25 need not be limited to, community service, career and technical  
26 education, job readiness, opportunities for mentoring and tutoring  
27 younger pupils, service learning, arts, computer and technology  
28 training, physical fitness, and recreation activities.

29 (c) A program shall comply with locally determined  
30 requirements related to hours and days of program operation  
31 through the ~~2004-05~~ 2005-06 fiscal year. Commencing with the  
32 ~~2005-06~~ 2006-07 fiscal year and thereafter, a program shall  
33 comply with the ~~State Department of Education's~~ requirements  
34 *of the department* related to the hours and days of program  
35 operation.

36 (d) An entity may operate programs on one or multiple sites. If  
37 an entity plans to operate programs at multiple sites, only one  
38 application is required.

39 (e) A program may operate on a schoolsite or on another site  
40 approved by the ~~State Department of Education~~ *department*

1 during the grant application process. A program located off  
2 school grounds shall not be approved unless both of the  
3 following criteria are met:

4 (1) Safe transportation is available to transport participating  
5 pupils if necessary.

6 (2) The program is at least as available and accessible as  
7 similar programs conducted on schoolsites.

8 (f) Applicants for grants pursuant to this article shall ensure  
9 that all of the following requirements are fulfilled, if applicable:

10 (1) The application includes a description of the activities that  
11 will be available for pupils and lists the program hours.

12 (2) The application includes an estimate of the following:

13 (A) The number of pupils expected to attend the program on a  
14 regular basis.

15 (B) The average hours of attendance per pupil.

16 (C) The percentage of pupils expected to attend the program  
17 less than three days a week, three days a week, and more than  
18 three days a week, for each quarter or semester during the grant  
19 period.

20 (3) The application documents the commitments of each  
21 partner to operate a program at a location or locations that are  
22 safe and accessible to participating pupils.

23 (4) The application demonstrates that pupils were involved in  
24 the design of the program and describes the extent of that  
25 involvement.

26 (5) The application identifies federal, state, and local programs  
27 that will be combined or coordinated with the high school after  
28 school program for the most effective use of public resources,  
29 and describes a plan for implementing the high school after  
30 school program beyond federal grant funding.

31 (6) The applicant complies with all federal requirements in  
32 preparing and submitting the application, as described in the  
33 ~~State Department of Education's request for applications of the~~  
34 ~~department.~~

35 (g) ~~The State Department of Education department~~ shall not  
36 establish minimum attendance requirements for individual pupils.

37 *SEC. 8.5. Section 17592.70 of the Education Code is amended*  
38 *to read:*

39 17592.70. (a) There is hereby established the School  
40 Facilities Needs Assessment Grant Program with the purpose to

1 provide for a one-time comprehensive assessment of school  
2 facilities needs. The grant program shall be administered by the  
3 State Allocation Board.

4 (b) (1) The grants shall be awarded to school districts on  
5 behalf of schoolsites ranked in deciles 1 to 3, inclusive, on the  
6 Academic Performance Index (*API*), pursuant to Section 52056,  
7 based on the 2003 base ~~Academic Performance Index~~ *API* score  
8 for each school newly constructed prior to January 1, 2000.

9 (2) For purposes of this section, schools ranked in deciles 1 to  
10 3, inclusive, on the 2003 base ~~Academic Performance Index~~  
11 (~~API~~) *API* shall include any schools determined by the  
12 department to meet either of the following:

13 (A) The school meets all of the following criteria:

14 (i) Does not have a valid base *API* score for 2003.

15 (ii) Is operating in fiscal year 2004–05 and was operating in  
16 fiscal year 2003–04 during the Standardized Testing and  
17 Reporting (STAR) Program testing period.

18 (iii) Has a valid base *API* score for 2002 that was ranked in  
19 deciles 1 to 3, inclusive, in that year.

20 (B) The school has an estimated base *API* score for 2003 that  
21 would be in deciles 1 to 3, inclusive.

22 (3) The department shall estimate an *API* score for any school  
23 meeting the criteria of *clauses (i) and (ii) of subparagraph (A) of*  
24 *paragraph (2) and not meeting the criteria of clause (iii) of*  
25 *subparagraph (A) of paragraph (2)*, using available testing scores  
26 and any weighting or corrective factors it deems appropriate. The  
27 department shall provide those *API* scores to the Office of Public  
28 School Construction and post them on its Web site within 30  
29 days of the enactment of this section.

30 (4) *For purposes of this section, schools ranked in deciles 1 to*  
31 *3, inclusive, on the 2003 base API shall exclude any schools*  
32 *determined by the department to be operated by county offices of*  
33 *education pursuant to Section 56140.*

34 (c) The board shall allocate funds pursuant to subdivision (b)  
35 to school districts with jurisdiction over eligible schoolsites,  
36 based on ten dollars (\$10) per pupil enrolled in the eligible  
37 school as of October 2003, with a minimum allocation of seven  
38 thousand five hundred dollars (\$7,500) for each schoolsite.

39 (d) As a condition of receiving funds pursuant to this section,  
40 school districts shall do all of the following:

(1) Use the funds to develop a comprehensive needs assessment of all schoolsites eligible for grants pursuant to subdivision (b). The assessment shall contain, at a minimum, all of the following information for each schoolsite:

(A) The year each building that is currently used for instructional purposes was constructed.

(B) The year, if any, each building that is currently used for instructional purposes was last modernized.

(C) The pupil capacity of the school.

(D) The number of pupils enrolled in the school.

(E) The density of the school campus measured in pupils per acre.

(F) The total number of classrooms at the school.

(G) The age and number of portable classrooms at the school.

(H) Whether the school is operating on a multitrack, year-round calendar, and, if so, what type.

(I) Whether the school has a cafeteria, or an auditorium or other space used for pupil eating and not for class instruction.

(J) The useful life remaining of all major building systems for each structure housing instructional space, including, but not limited to, sewer, water, gas, electrical, roofing, and fire and life safety protection.

(K) The estimated costs for five years necessary to maintain functionality of each instructional space to maintain health, safety, and suitable learning environment, as applicable, including classroom, counseling areas, administrative space, libraries, gymnasiums, multipurpose and dining space, and the accessibility to those spaces.

(L) A list of necessary repairs.

(2) Use the data currently filed with the state as part of the process of applying for and obtaining modernization or construction funds for school facilities, or information that is available in the California Basic Education Data System for the element required in subparagraphs (D), (E), (F), and (G) of paragraph (1).

(3) Use the assessment as the baseline for the facilities inspection system required pursuant to subdivision (e) of Section 17070.75.

(4) Provide the results of the assessment to the Office of Public School Construction, including a report on the

1 expenditures made in performing the assessment. It is the intent  
2 of the Legislature that the assessments be completed as soon as  
3 possible, but not later than January 1, 2006.

4 (5) If a school district does not need the full amount of the  
5 allocation it receives pursuant to this section, the school district  
6 shall expend the remaining funds for making facilities repairs  
7 identified in its needs assessment. The school district shall report  
8 to the Office of Public School Construction on the repairs  
9 completed pursuant to this paragraph and the cost of the repairs.

10 (6) Submit to the Office of Public School Construction an  
11 interim report regarding the progress made by the school district  
12 in completing the assessments of all eligible schools.

13 SEC. 9. Section 38101 of the Education Code is amended to  
14 read:

15 38101. (a) The governing board of a school district may  
16 authorize expenditures from the cafeteria fund or cafeteria  
17 account only for those charges from that fund or account that are  
18 defined in the California School Accounting Manual.

19 (b) A food service program shall not be charged more than  
20 once for expenditures for the same service. If a food service  
21 program is being charged for a service as a direct cost, the school  
22 district shall not also allocate that cost as a direct support cost or  
23 indirect cost.

24 (c) For purposes of this section, an “indirect cost” shall be  
25 limited to the lesser of the school district’s prior year indirect  
26 cost rate as approved by the department or the statewide average  
27 approved indirect cost for the second prior fiscal year.

28 (d) Charges to, or transfers from, a food service program shall  
29 indicate when the charge or transfer was made and shall be  
30 accompanied by a written explanation of the purpose of, and  
31 basis for, the expenditure.

32 (e) This section does not authorize a school district to charge a  
33 food service program any charges prohibited by state or federal  
34 law or regulation.

35 (f) If the department and the Department of Finance concur  
36 that a school district has violated this section, the Superintendent  
37 shall direct that school district to transfer double the amount  
38 improperly transferred to the general fund of the school district  
39 from that fund to the cafeteria fund of the school district or  
40 cafeteria account for the subsequent fiscal year which is then to

1 be used for the improvement of the food service program of the  
2 school district. If the school district fails to make that transfer as  
3 directed, the Superintendent shall reduce the regular  
4 apportionment of the school district determined pursuant to  
5 Section 42238 and increase the child nutrition allowance of the  
6 school district determined pursuant to Section 41350 by double  
7 the amount improperly transferred to the general fund of the  
8 school district and that amount is then to be used for  
9 improvement of the food service program.

10 (g) It is the intent of the Legislature in enacting this section  
11 that responsible school district officials be held fully accountable  
12 for the accounting and reporting of food service programs and  
13 that minor and inadvertent instances of noncompliance be  
14 resolved in a fair and equitable manner to the satisfaction of the  
15 Superintendent and the Department of Finance.

16 (h) The Superintendent, with the approval of the Department  
17 of Finance, may waive up to the full transfer amount in  
18 subdivision (f) if he or she determines that the noncompliance  
19 involved is minor or inadvertent, or both.

20 *SEC. 9.5. Section 41020 of the Education Code is amended to*  
21 *read:*

22 41020. (a) It is the intent of the Legislature to encourage  
23 sound fiscal management practices among ~~school districts~~ *local*  
24 *educational agencies* for the most efficient and effective use of  
25 public funds for the education of children in California by  
26 strengthening fiscal accountability at the district, county, and  
27 state levels.

28 (b) (1) Not later than the first day of May of each fiscal year,  
29 each county superintendent of schools shall provide for an audit  
30 of all funds under his or her jurisdiction and control and the  
31 governing board of each local educational agency shall either  
32 provide for an audit of the books and accounts of the local  
33 educational agency, including an audit of income and  
34 expenditures by source of funds, or make arrangements with the  
35 county superintendent of schools having jurisdiction over the  
36 local educational agency to provide for that auditing.

37 (2) A contract to perform the audit of a local educational  
38 agency that has a disapproved budget or has received a negative  
39 certification on any budget or interim financial report during the  
40 current fiscal year or either of the two preceding fiscal years, or

1 for which the county superintendent of schools has otherwise  
2 determined that a lack of going concern exists, is not valid unless  
3 approved by the responsible county superintendent of schools  
4 and the governing board.

5 (3) If the governing board of a local educational agency has  
6 not provided for an audit of the books and accounts of the local  
7 educational agency by April 1, the county superintendent of  
8 schools having jurisdiction over the local educational agency  
9 shall provide for the audit of each local educational agency.

10 (4) An audit conducted pursuant to this section shall fully  
11 comply with the Government Auditing Standards issued by the  
12 Comptroller General of the United States.

13 (5) For purposes of this section, “local educational agency”  
14 does not include community colleges.

15 (c) Each audit conducted in accordance with this section shall  
16 include all funds of the local educational agency, including the  
17 student body and cafeteria funds and accounts and any other  
18 funds under the control or jurisdiction of the local educational  
19 agency. Each audit shall also include an audit of pupil attendance  
20 procedures.

21 (d) All audit reports for each fiscal year shall be developed  
22 and reported using a format established by the Controller after  
23 consultation with the Superintendent of ~~Public Instruction~~ and  
24 the Director of Finance.

25 (e) (1) The cost of the audits provided for by the county  
26 superintendent of schools shall be paid from the county school  
27 service fund and the county superintendent of schools shall  
28 transfer the pro rata share of the cost chargeable to each district  
29 from district funds.

30 (2) The cost of the audit provided for by a governing board  
31 shall be paid from local educational agency funds. The audit of  
32 the funds under the jurisdiction and control of the county  
33 superintendent of schools shall be paid from the county school  
34 service fund.

35 (f) (1) The audits shall be made by a certified public  
36 accountant or a public accountant, licensed by the California  
37 Board of Accountancy, and selected by the local educational  
38 agency, as applicable, from a directory of certified public  
39 accountants and public accountants deemed by the Controller as  
40 qualified to conduct audits of local educational agencies, which

1 shall be published by the Controller not later than December 31  
2 of each year.

3 (2) Commencing with the 2003–04 fiscal year and except as  
4 provided in subdivision (d) of Section 41320.1, it is unlawful for  
5 a public accounting firm to provide audit services to a local  
6 educational agency if the lead audit partner, or coordinating audit  
7 partner, having primary responsibility for the audit, or the audit  
8 partner responsible for reviewing the audit, has performed audit  
9 services for that local educational agency in each of the six  
10 previous fiscal years. The Education Audits Appeal Panel may  
11 waive this requirement if the panel finds that no otherwise  
12 eligible auditor is available to perform the audit.

13 (3) It is the intent of the Legislature that, notwithstanding  
14 paragraph (2) of this subdivision, the rotation within public  
15 accounting firms conform to provisions of the federal  
16 Sarbanes-Oxley Act of 2002 (P.L. 107-204; 15 U.S.C. Sec. 7201  
17 et seq.), and upon release of the report required by the act of the  
18 Comptroller General of the United States addressing the  
19 mandatory rotation of registered public accounting firms, the  
20 Legislature intends to reconsider the provisions of paragraph (2).  
21 In determining which certified public accountants and public  
22 accountants shall be included in the directory, the Controller  
23 shall use the following criteria:

24 (A) The certified public accountants or public accountants  
25 shall be in good standing as certified by the Board of  
26 Accountancy.

27 (B) The certified public accountants or public accountants, as  
28 a result of a quality control review conducted by the Controller  
29 pursuant to Section 14504.2, shall not have been found to have  
30 conducted an audit in a manner constituting noncompliance with  
31 subdivision (a) of Section 14503.

32 (g) (1) The auditor's report shall include each of the  
33 following:

34 (A) A statement that the audit was conducted pursuant to  
35 standards and procedures developed in accordance with Chapter  
36 3 (commencing with Section 14500) of Part 9 of Division 1 of  
37 Title 1.

38 (B) A summary of audit exceptions and management  
39 improvement recommendations.

(C) Each ~~local educational agency's~~ *audit of a local educational agency* shall include an ~~auditor's~~ *evaluation of the auditor* on whether there is substantial doubt about the ~~local agency's~~ *ability of the local educational agency* to continue as a going concern for a reasonable period of time. This evaluation shall be based on the Statement of Auditing Standards (SAS) No. 59, as issued by the AICPA regarding disclosure requirements relating ~~the entity's~~ *to the ability of the entity* to continue as a going concern.

(2) To the extent possible, a description of correction or plan of correction shall be incorporated in the audit report, describing the specific actions that are planned to be taken, or that have been taken, to correct the problem identified by the auditor. The descriptions of specific actions to be taken or that have been taken shall not solely consist of general comments such as “will implement,” “accepted the recommendation,” or “will discuss at a later date.”

(h) Not later than December 15, a report of each local educational agency audit for the preceding fiscal year shall be filed with the county superintendent of schools of the county in which the local educational agency is located, the ~~State Department of Education~~ *department*, and the Controller. The ~~Superintendent of Public Instruction~~ shall make any adjustments necessary in future apportionments of all state funds, to correct any audit exceptions revealed by those audit reports.

(i) (1) Commencing with the 2002–03 audit of local educational agencies pursuant to this section, each county superintendent of schools shall be responsible for reviewing the audit exceptions contained in an audit of a local educational agency under his or her jurisdiction related to attendance, inventory of equipment, internal control, and any miscellaneous items, and determining whether the exceptions have been either corrected or an acceptable plan of correction has been developed.

(2) Commencing with the 2004–05 audit of local educational agencies pursuant to this section, each county superintendent of schools shall include in the review of audit exceptions performed pursuant to this subdivision those audit exceptions related to use of instructional materials program funds, teacher misassignments pursuant to Section 44258.9, information reported on the school accountability report card required pursuant to Section 33126 and

1 shall determine whether the exceptions are either corrected or an  
2 acceptable plan of correction has been developed.

3 (j) Upon submission of the final audit report to the governing  
4 board of each local educational agency and subsequent receipt of  
5 the audit by the county superintendent of schools having  
6 jurisdiction over the local educational agency, the county office  
7 of education shall do all of the following:

8 (1) Review audit exceptions related to attendance, inventory of  
9 equipment, internal control, and other miscellaneous exceptions.  
10 Attendance exceptions or issues shall include, but not be limited  
11 to, those related to revenue limits, adult education, and  
12 independent study.

13 (2) If a description of the correction or plan of correction has  
14 not been provided as part of the audit required by this section,  
15 then the county superintendent of schools shall notify the local  
16 educational agency and request the governing board of the local  
17 educational agency to provide to the county superintendent of  
18 schools a description of the corrections or plan of correction by  
19 March 15.

20 (3) Review the description of correction or plan of correction  
21 and determine its adequacy. If the description of the correction or  
22 plan of correction is not adequate, the county superintendent of  
23 schools shall require the local educational agency to resubmit  
24 that portion of its response that is inadequate.

25 (k) Each county superintendent of schools shall certify to the  
26 Superintendent of ~~Public Instruction~~ and the Controller, not later  
27 than May 15, that his or her staff has reviewed all audits of local  
28 educational agencies under his or her jurisdiction for the prior  
29 fiscal year, that all exceptions that the county superintendent was  
30 required to review were reviewed, and that all of those  
31 exceptions, except as otherwise noted in the certification, have  
32 been corrected by the local educational agency or that an  
33 acceptable plan of correction has been submitted to the county  
34 superintendent of schools. In addition, the county superintendent  
35 shall identify, by local educational agency, any  
36 attendance-related audit exception or exceptions involving state  
37 funds, and require the local educational agency to which the audit  
38 exceptions were directed to submit appropriate reporting forms  
39 for processing by the Superintendent of ~~Public Instruction~~.

1 (l) In the audit of a local educational agency for a subsequent  
2 year, the auditor shall review the correction or plan or plans of  
3 correction submitted by the local educational agency to  
4 determine if the exceptions have been resolved. If not, the auditor  
5 shall immediately notify the appropriate county office of  
6 education and the ~~State Department of Education~~ *department* and  
7 restate the exception in the audit report. After receiving that  
8 notification, the ~~State Department of Education~~ *department* shall  
9 either consult with the local educational agency to resolve the  
10 exception or require the county superintendent of schools to  
11 follow up with the local educational agency.

12 (m) (1) The ~~Superintendent of Public Instruction~~ shall be  
13 responsible for ensuring that local educational agencies have  
14 either corrected or developed plans of correction for any one or  
15 more of the following:

16 (A) All federal and state compliance audit exceptions  
17 identified in the audit.

18 (B) Any exceptions that the county superintendent certifies as  
19 of May 15 have not been corrected.

20 (C) Any repeat audit exceptions that are not assigned to a  
21 county superintendent to correct.

22 (2) In addition, the ~~Superintendent of Public Instruction~~ shall  
23 be responsible for ensuring that county superintendents of  
24 schools and each county board of education that serves as the  
25 governing board of a local educational agency either correct all  
26 audit exceptions identified in the audits of county  
27 superintendents of schools and of the local educational agencies  
28 for which the county boards of education serve as the governing  
29 boards or develop acceptable plans of correction for those  
30 exceptions.

31 (3) The ~~Superintendent of Public Instruction~~ shall report  
32 annually to the Controller on his or her actions to ensure that  
33 school districts, county superintendents of schools, and each  
34 county board of education that serves as the governing board of a  
35 school district have either corrected or developed plans of  
36 correction for any of the exceptions noted pursuant to paragraph  
37 (1).

38 (n) To facilitate correction of the exceptions identified by the  
39 audits issued pursuant to this section, commencing with 2002–03  
40 audits pursuant to this section, the Controller shall require

1 auditors to categorize audit exceptions in each audit report in a  
2 manner that will make it clear to both the county superintendent  
3 of schools and the Superintendent of ~~Public Instruction~~ which  
4 exceptions they are responsible for ensuring the correction of by  
5 a local educational agency. In addition, the Controller annually  
6 shall select a sampling of county superintendents of schools and  
7 perform a followup of the audit resolution process of those  
8 county superintendents of schools and report the results of that  
9 followup to the Superintendent of ~~Public Instruction~~ and the  
10 county superintendents of schools that were reviewed.

11 (o) County superintendents of schools shall adjust subsequent  
12 local property tax requirements to correct audit exceptions  
13 relating to local educational agency tax rates and tax revenues.

14 (p) If a governing board or county superintendent of schools  
15 fails or is unable to make satisfactory arrangements for the audit  
16 pursuant to this section, the Controller shall make arrangements  
17 for the audit and the cost of the audit shall be paid from local  
18 educational agency funds or the county school service fund, as  
19 the case may be.

20 (q) Audits of regional occupational centers and programs are  
21 subject to the provisions of this section.

22 (r) This section does not authorize examination of, or reports  
23 on, the curriculum used or provided for in any local educational  
24 agency.

25 (s) Notwithstanding any other provision of law, a nonauditing,  
26 management, or other consulting service to be provided to a local  
27 educational agency by a certified public accounting firm while  
28 the certified public accounting firm is performing an audit of the  
29 agency pursuant to this section must be in accord with  
30 Government Accounting Standards, Amendment No. 3, as  
31 published by the United States General Accounting Office.

32 SEC. 10. Section 41327.2 of the Education Code is amended  
33 to read:

34 41327.2. (a) The appointment of an administrator pursuant to  
35 Section 41326 does not remove any statutory rights, duties, or  
36 obligations from the county superintendent of schools. The  
37 county superintendent of schools retains the responsibility to  
38 superintend school districts under his or her jurisdiction.

39 (b) The county superintendent of schools shall submit reports  
40 to the Superintendent, the appropriate fiscal and policy

committees of the Legislature, the Director of Finance, and the Secretary for Education subsequent to review by the county superintendent of schools of the district's budget and interim reports in accordance with subdivisions (d) and (g) of, and paragraph (3) of subdivision (i) of, Section 42127, and paragraph (2) of subdivision (a) of, and subdivision (e) of, Section 42131. These reports shall document the fiscal and administrative status of the qualifying district, particularly in regard to the implementation of fiscal and management recovery plans. Each report shall also include a determination of whether the revenue streams to the district appear to be consistent with its expenditure plan, according to the most recent data available at the time of the report. These reports are required until six months after all rights, duties, and powers are returned to the school district pursuant to this article.

SEC. 11. Section 41344 of the Education Code is amended to read:

41344. (a) If, as the result of an audit or review, a local educational agency is required to repay an apportionment significant audit exception or to pay a penalty arising from an audit exception, the Superintendent and the Director of Finance, or their designees, shall jointly establish a plan for repayment of state school funds that the local educational agency received on the basis of average daily attendance, or other data, that did not comply with statutory or regulatory requirements that were conditions of the apportionments, or for payment of a penalty arising from an audit exception. A local educational agency shall request a plan within 90 days of receiving the final audit report or review, within 30 days of withdrawing or receiving a final determination regarding an appeal pursuant to subdivision (d), or, in the absence of an appeal pursuant to subdivision (d), within 30 days of withdrawing or receiving a determination of a summary review pursuant to subdivision (d) of Section 41344.1. At the time the local educational agency is notified, the Controller shall also be notified of the plan. The plan shall be established in accordance with the following:

(1) The Controller shall withhold the disallowed or penalty amount at the next principal apportionment or pursuant to paragraph (2), unless subdivision (d) of this section or subdivision (d) of Section 41344.1 applies, in which case the

1 disallowed or penalty amount shall be withheld, at the next  
2 principal apportionment or pursuant to paragraph (2) following  
3 the determination regarding the appeal or summary appeal. In  
4 calculating a disallowed amount, the Controller shall determine  
5 the total amount of overpayment received by the local  
6 educational agency on the basis of average daily attendance, or  
7 other data, reported by the local educational agency that did not  
8 comply with one or more statutory or regulatory requirements  
9 that are conditions of apportionment.

10 (2) If the Superintendent and the Director of the Department of  
11 Finance concur that repayment of the full liability or payment of  
12 the penalty in the current fiscal year would constitute a severe  
13 financial hardship for the local agency, they may approve a plan  
14 of equal annual payments over a period of up to eight years. The  
15 plan shall include interest on each year's outstanding balance at  
16 the rate earned on the state's Pooled Money Investment Account  
17 during that year. The Superintendent and the Director of the  
18 Department of Finance shall jointly establish this plan. The  
19 Controller shall withhold amounts pursuant to the plan.

20 (3) If the Superintendent and the Director of the Department of  
21 Finance do not jointly establish a plan, the Controller shall  
22 withhold the entire disallowed amount determined pursuant to  
23 paragraph (1), or the penalty amount, at the next principal  
24 apportionment.

25 (b) (1) For purposes of computing average daily attendance  
26 pursuant to Section 42238.5, a local educational agency's prior  
27 fiscal year average daily attendance shall be reduced by an  
28 amount equal to any average daily attendance disallowed in the  
29 current year, by an audit or review, as defined in subdivision (e).

30 (2) Commencing with the 1999-2000 fiscal year, this  
31 subdivision may not result in a local educational agency repaying  
32 more than the value of the average daily attendance disallowed in  
33 the audit exception plus interest and other penalties or reductions  
34 in apportionments as provided by existing law.

35 (c) Notwithstanding any other provision of law, this section  
36 may not be waived under any authority set forth in this code  
37 except as provided in this section or Section 41344.1.

38 (d) Within 60 days of the date on which a local educational  
39 agency receives a final audit report resulting from an audit or  
40 review of all or any part of the operations of the local educational

agency, or within 30 days of receiving a determination of a summary review pursuant to subdivision (d) of Section 41344.1, a local educational agency may appeal a finding contained in the final report, pursuant to Section 41344.1. Within 90 days of the date on which the appeal is received by the panel, a hearing shall be held at which the local educational agency may present evidence or arguments if the local educational agency believes that the final report contains any finding that was based on errors of fact or interpretation of law, or if the local educational agency believes in good faith that it was in substantial compliance with all legal requirements. A repayment schedule may not commence until the panel reaches a determination regarding the appeal. If the panel determines that the local educational agency is correct in its assertion, in whole or in part, the allowable portion of any apportionment payment that was withheld shall be paid at the next principal apportionment.

(e) As used in this section, “audit or review” means an audit conducted by the Controller’s office, an annual audit conducted by a certified public accountant or a public accounting firm pursuant to Section 41020, and an audit or review conducted by a governmental agency that provided the local educational agency with an opportunity to provide a written response.

SEC. 12. Section 41344.1 of the Education Code is amended to read:

41344.1. (a) The Education Audit Appeals Panel is hereby established as a separate state agency. Its membership shall consist of the Superintendent, the Director of the Department of Finance, and the Chief Executive Officer of the Fiscal Crisis and Management Assistance Team established pursuant to Section 42127.8 or their designees. The panel shall have the authority to expend funds, hire staff, make contracts, sue and be sued, and issue regulations in furtherance of its duties.

(b) The panel shall hear appeals filed pursuant to subdivision (d) of Section 41344. The Controller shall be a party to all appeals. The department and the Department of Finance may, at their election, timely intervene as a party in any appeal. The panel shall consider audit appeals pursuant to the administrative adjudication provisions of the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title

2 of the Government Code), except that it may adopt regulations specifying special pleadings that shall govern audit appeals. The panel may approve settlements and make findings of fact and interpretations of law.

(c) Compliance with all legal requirements is a condition to the state's obligation to make apportionments. A condition may be deemed satisfied if the panel finds there has been compliance or substantial compliance with all legal requirements. "Substantial compliance" means nearly complete satisfaction of all material requirements of a funding program that provide an educational benefit substantially consistent with the program's purpose. A minor or inadvertent noncompliance may be grounds for a finding of substantial compliance provided that the local ~~education~~ *educational* agency can demonstrate it acted in good faith to comply with the conditions established in law or regulation necessary for apportionment of funding. The panel may further define "substantial compliance" by issuing regulations or through adjudicative opinions, or both. If the panel finds there has been substantial compliance, the panel may waive or reduce the reimbursement or penalty amount and may also order other remedial measures sufficient to induce full compliance in the future. Other remedial measures may include restoration of a reduction or penalty amount if full compliance is not rendered in the future, ordering special audits, and requiring special training.

(d) In addition to the normal appeal process specified above, there is hereby created a voluntary, informal, summary appeals process for noncompliant audit exceptions that clearly constitute substantial compliance as that term is defined in subdivision (c). Requests for summary review shall be made to the executive officer of the panel who may seek comment from the Department of Finance or Superintendent. Summary review shall be sought within 30 days of the date on which a local ~~education~~ *educational* agency receives a final audit report resulting from an audit or review.

(1) If the executive officer concludes the conditions for finding substantial compliance are not clearly met or involve substantial questions of fact, the executive officer may deny the request for summary review and the appellant may pursue its claim through the normal appeal process.

(2) For appeals in which the total audit exceptions for full repayment or penalty constitute less than 150 units of average daily attendance or seven hundred fifty thousand dollars (\$750,000), whichever is less, the executive officer may waive or reduce the reimbursement or penalty upon a finding of substantial compliance and that other remedial measures are sufficient to induce full compliance in the future.

(3) For appeals in which the total audit exceptions for full repayment or penalty meet or exceed 150 units of average daily attendance or seven hundred fifty thousand dollars (\$750,000), whichever is greater, the executive officer may waive or reduce the reimbursement or penalty upon a finding of substantial compliance and order other remedial measures that are sufficient to induce full compliance in the future, if he or she has the written approval of the Department of Finance and the Superintendent. The executive officer shall provide the details of the proposed settlement and the rationale in writing to the Department of Finance and Superintendent and allow at least 30 days for their review.

(4) The right to appeal pursuant to subdivision (d) of Section 41344 is independent of this subdivision and an appellant may pursue his or her appeal under subdivision (b) regardless of the result under this subdivision. A local educational agency that has unresolved audit appeals pursuant to subdivision (d) of Section 41344 pending on January 1, 2003, may file a request for summary review under this subdivision for a period of 60 days after January 1, 2003.

SEC. 13. Section 41402 of the Education Code is amended to read:

41402. The maximum ratios of administrative employees to each 100 teachers in the various types of school districts shall be as follows:

(a) In elementary school districts—9.

(b) In unified school districts—8.

(c) In high school districts—7.

This section shall not apply to a school district that has one or fewer administrators.

SEC. 14. Section 41511 of the Education Code is amended to read:

1 41511. Funding for the school safety consolidated  
2 competitive grant shall include the funding previously  
3 apportioned to school districts for carrying out the purposes of  
4 the following programs:

5 (a) Safe school planning and partnership minigrants, as funded  
6 pursuant to Item 6110-226-0001 of Section ~~2.0~~ 2.00 of the annual  
7 Budget Act.

8 (b) School community policing as set forth in Article 6  
9 (commencing with Section 32296) of Chapter 2.5 of Part 19.

10 (c) Gang-risk intervention as set forth in Chapter 5.5  
11 (commencing with Section 58730) of Part 31.

12 (d) Safety plans for new schools, as funded pursuant to Item  
13 6110-228-0001 of Section 2.00 of the annual Budget Act. Grant  
14 funds distributed to a school district in order to carry out the  
15 purpose of this subdivision are offsetting revenues within the  
16 meaning of subdivision (e) of Section 17556 of the Government  
17 Code for any reimbursable mandated cost claim for the  
18 development of school safety plans as required by Section 32281  
19 of the Education Code. A school district that accepts funds in  
20 order to carry out the purpose of this subdivision shall reduce its  
21 estimated and actual mandate reimbursement claim by the  
22 amount of funding provided to it in order to carry out the  
23 purposes of this subdivision.

24 (e) School community violence prevention, as funded pursuant  
25 to Item 6110-228-0001 of Section 2.00 of the annual Budget Act.

26 (f) Conflict resolution, as funded pursuant to Item  
27 6110-228-0001 of Section 2.00 of the annual Budget Act.

28 SEC. 15. Section 41521 of the Education Code is amended to  
29 read:

30 41521. (a) The teacher credentialing block grant shall  
31 include funding previously apportioned to school districts for  
32 purposes of beginning teacher support and assessment as set forth  
33 in Article 4.5 (commencing with Section 44279.1) of Chapter 2  
34 of Part 25.

35 (b) For purposes of issuing teaching credentials, certificates, or  
36 other authorizations, the Commission on Teacher Credentialing  
37 shall approve the programs described by subdivision (a). To  
38 ensure the Superintendent has the requisite information to  
39 allocate funding based on the number of participating credential  
40 candidates pursuant to this article, the commission shall inform

1 the Superintendent on an ongoing basis of the approval status of  
2 these programs and numbers of participating candidates in each  
3 approved program.

4 SEC. 16. Section 41530 of the Education Code is amended to  
5 read:

6 41530. (a) There is hereby established the professional  
7 development block grant. Commencing with the 2005-06 fiscal  
8 year, the Superintendent shall apportion block grant funds to a  
9 school district based on the number of certificated teachers  
10 employed by the school district in the immediately prior fiscal  
11 year.

12 (b) A school district may expend funds received pursuant to  
13 this article for any purpose authorized by the programs listed in  
14 Section 41531, as the statutes governing those programs read on  
15 January 1, 2004.

16 (c) For purposes of this article, “school district” includes a  
17 county office of education if county offices of education are  
18 eligible to receive funds for the programs that are listed in  
19 Section 41531. The block grant of a county office of education  
20 shall be based only on those programs for which it was eligible to  
21 receive funds in the 2003-04 fiscal year.

22 SEC. 17. Section 41976 of the Education Code is amended to  
23 read:

24 41976. (a) For purposes of this chapter, the following classes  
25 and courses are authorized to be offered by school districts and  
26 county superintendents of schools for apportionment purposes  
27 from the adult education fund:

28 (1) Adult programs in parenting, including parent cooperative  
29 preschools, and classes in child growth and development,  
30 parent-child relationships, and parenting.

31 (2) Adult programs in elementary and secondary basic skills  
32 and other courses and classes required for the high school  
33 diploma. Apportionments for these courses and classes may only  
34 be generated by students who do not possess a high school  
35 diploma, except for remedial academic courses or classes in  
36 reading, mathematics, and language arts.

37 (3) Adult education programs in English as a second language.

38 (4) Adult education programs for immigrants eligible for  
39 educational services in citizenship, English as a second language,  
40 and workforce preparation classes in the basic skills of speaking,

1 listening, reading, writing, mathematics, decisionmaking and  
2 problem solving skills, and other classes required for preparation  
3 to participate in job specific technical training.

4 (5) Adult education programs for adults with disabilities.

5 (6) Adult short-term career technical education programs with  
6 high employment potential. Any reference to “vocational”  
7 education or programs in adult education means “career  
8 technical” education or programs in adult education.

9 (7) Adult programs for older adults.

10 (8) Adult education programs for apprentices.

11 (9) Adult programs in home economics.

12 (10) Adult programs in health and safety education.

13 (b) No state apportionment shall be made for any course or  
14 class which is not set forth in subdivision (a).

15 SEC. 18. Section 41976.5 of the Education Code is amended  
16 to read:

17 41976.5. (a) Each school district or county superintendent of  
18 schools providing services in summer school programs for adults  
19 with disabilities in the 1977-78 school year shall continue in the  
20 1980-81 fiscal year and each fiscal year thereafter to offer these  
21 programs.

22 (b) A school district or county superintendent of schools  
23 receiving apportionments from Section A of the State School  
24 Fund shall offer summer programs for graduating high school  
25 seniors in need of courses for graduation.

26 SEC. 19. Section 42127 of the Education Code is amended to  
27 read:

28 42127. (a) On or before July 1 of each year, the governing  
29 board of each school district shall accomplish the following:

30 (1) Hold a public hearing on the budget to be adopted for the  
31 subsequent fiscal year. The budget to be adopted shall be  
32 prepared in accordance with Section 42126. The agenda for that  
33 hearing shall be posted at least 72 hours prior to the public  
34 hearing and shall include the location where the budget will be  
35 available for public inspection.

36 (2) Adopt a budget. Not later than five days after that adoption  
37 or by July 1, whichever occurs first, the governing board shall  
38 file that budget with the county superintendent of schools. That  
39 budget and supporting data shall be maintained and made  
40 available for public review. If the governing board of the district

does not want all or a portion of the property tax requirement levied for the purpose of making payments for the interest and redemption charges on indebtedness as described in paragraph (1) or (2) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, the budget shall include a statement of the amount or portion for which a levy shall not be made.

(b) The county superintendent of schools may accept changes in any statement included in the budget, pursuant to subdivision (a), of the amount or portion for which a property tax levy shall not be made. The county superintendent or the county auditor shall compute the actual amounts to be levied on the property tax rolls of the district for purposes that exceed apportionments to the district pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code. Each school district shall provide all data needed by the county superintendent or the county auditor to compute the amounts. On or before August 15, the county superintendent shall transmit the amounts computed to the county auditor who shall compute the tax rates necessary to produce the amounts. On or before September 1, the county auditor shall submit the rate computed to the board of supervisors for adoption.

(c) The county superintendent of schools shall do all of the following:

(1) Examine the adopted budget to determine whether it complies with the standards and criteria adopted by the State Board of Education pursuant to Section 33127 for application to final local educational agency budgets. The county superintendent shall identify, if necessary, any technical corrections that are required to be made to bring the budget into compliance with those standards and criteria.

(2) Determine whether the adopted budget will allow the district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the district to satisfy its multiyear financial commitments. In addition to his or her own analysis of the budget of each school district, the county superintendent of schools shall review and consider studies, reports, evaluations, or audits of the school district that were commissioned by the district, the county superintendent, the Superintendent, and state control agencies and that contain evidence that the school district is showing fiscal distress under

1 the standards and criteria adopted in Section 33127 or that  
2 contain a finding by an external reviewer that more than three of  
3 the 15 most common predictors of a school district needing  
4 intervention, as determined by the County Office Fiscal Crisis  
5 and Management Assistance Team, are present. The county  
6 superintendent of schools shall either conditionally approve or  
7 disapprove a budget that does not provide adequate assurance  
8 that the district will meet its current and future obligations and  
9 resolve any problems identified in studies, reports, evaluations,  
10 or audits described in this paragraph.

11 (d) On or before August 15, the county superintendent of  
12 schools shall approve, conditionally approve, or disapprove the  
13 adopted budget for each school district. If a school district does  
14 not submit a budget to the county superintendent of schools, the  
15 county superintendent of schools shall, at district expense,  
16 develop a budget for that school district by September 15 and  
17 transmit that budget to the governing board of the school district.  
18 The budget prepared by the county superintendent of schools  
19 shall be deemed adopted, unless the county superintendent of  
20 schools approves any modifications made by the governing board  
21 of the school district. The approved budget shall be used as a  
22 guide for the district's priorities. The Superintendent shall review  
23 and certify the budget approved by the county. If, pursuant to the  
24 review conducted pursuant to subdivision (c), the county  
25 superintendent of schools determines that the adopted budget for  
26 a school district does not satisfy paragraph (1) or (2) of that  
27 subdivision, he or she shall conditionally approve or disapprove  
28 the budget and, not later than August 15, transmit to the  
29 governing board of the school district, in writing, his or her  
30 recommendations regarding revision of the budget and the  
31 reasons for those recommendations, including, but not limited to,  
32 the amounts of any budget adjustments needed before he or she  
33 can conditionally approve that budget. The county superintendent  
34 of schools may assign a fiscal adviser to assist the district to  
35 develop a budget in compliance with those revisions. In addition,  
36 the county superintendent of schools may appoint a committee to  
37 examine and comment on the superintendent's review and  
38 recommendations, subject to the requirement that the committee  
39 report its findings to the superintendent no later than August 20.

1 (e) On or before September 8, the governing board of the  
2 school district shall revise the adopted budget to reflect changes  
3 in projected income or expenditures subsequent to July 1, and to  
4 include any response to the recommendations of the county  
5 superintendent of schools, shall adopt the revised budget, and  
6 shall file the revised budget with the county superintendent of  
7 schools. Prior to revising the budget, the governing board shall  
8 hold a public hearing regarding the proposed revisions, to be  
9 conducted in accordance with Section 42103. In addition, if the  
10 adopted budget is disapproved pursuant to subdivision (d), the  
11 governing board and the county superintendent of schools shall  
12 review the disapproval and the recommendations of the county  
13 superintendent of schools regarding revision of the budget at the  
14 public hearing. The revised budget and supporting data shall be  
15 maintained and made available for public review.

16 (f) On or before September 22, the county superintendent of  
17 schools shall provide a list to the Superintendent identifying all  
18 school districts for which budgets may be disapproved.

19 (g) The county superintendent of schools shall examine the  
20 revised budget to determine whether it (1) complies with the  
21 standards and criteria adopted by the State Board of Education  
22 pursuant to Section 33127 for application to final local  
23 educational agency budgets, (2) allows the district to meet its  
24 financial obligations during the fiscal year, (3) satisfies all  
25 conditions established by the county superintendent of schools in  
26 the case of a conditionally approved budget, and (4) is consistent  
27 with a financial plan that will enable the district to satisfy its  
28 multiyear financial commitments, and, not later than October 8,  
29 shall approve or disapprove the revised budget. If the county  
30 superintendent of schools disapproves the budget, he or she shall  
31 call for the formation of a budget review committee pursuant to  
32 Section 42127.1, unless the governing board of the school district  
33 and the county superintendent of schools agree to waive the  
34 requirement that a budget review committee be formed and the  
35 department approves the waiver after determining that a budget  
36 review committee is not necessary. Upon the grant of a waiver,  
37 the county superintendent has the authority and responsibility  
38 provided to a budget review committee in Section 42127.3. Upon  
39 approving a waiver of the budget review committee, the  
40 department shall ensure that a balanced budget is adopted for the

1 school district by November 30. If no budget is adopted by  
2 November 30, the Superintendent may adopt a budget for the  
3 school district. The Superintendent shall report to the Legislature  
4 and the Director of Finance by December 10 if any district,  
5 including a district that has received a waiver of the budget  
6 review committee process, does not have an adopted budget by  
7 November 30. This report shall include the reasons why a budget  
8 has not been adopted by the deadline, the steps being taken to  
9 finalize budget adoption, the date the adopted budget is  
10 anticipated, and whether the Superintendent has or will exercise  
11 his or her authority to adopt a budget for the school district.

12 (h) Not later than October 8, the county superintendent of  
13 schools shall submit a report to the Superintendent identifying all  
14 school districts for which budgets have been disapproved or  
15 budget review committees waived. The report shall include a  
16 copy of the written response transmitted to each of those districts  
17 pursuant to subdivision (d).

18 (i) Notwithstanding any other provision of this section, the  
19 budget review for a school district shall be governed by  
20 paragraphs (1), (2), and (3) of this subdivision, rather than by  
21 subdivisions (e) and (g), if the governing board of the school  
22 district so elects and notifies the county superintendent in writing  
23 of that decision, not later than October 31 of the immediately  
24 preceding calendar year. On or before July 1, the governing  
25 board of a school district for which the budget review is  
26 governed by this subdivision, rather than by subdivisions (e) and  
27 (g), shall conduct a public hearing regarding its proposed budget  
28 in accordance with Section 42103.

29 (1) If the adopted budget of a school district is disapproved  
30 pursuant to subdivision (d), on or before September 8, the  
31 governing board of the school district, in conjunction with the  
32 county superintendent of schools, shall review the  
33 superintendent's recommendations at a regular meeting of the  
34 governing board and respond to those recommendations. The  
35 response shall include any revisions to the adopted budget and  
36 other proposed actions to be taken, if any, as a result of those  
37 recommendations.

38 (2) On or before September 22, the county superintendent of  
39 schools will provide a list to the Superintendent identifying all

1 school districts for which a budget may be tentatively  
2 disapproved.

3 (3) Not later than October 8, after receiving the response  
4 required under paragraph (1), the county superintendent of  
5 schools shall review that response and either approve or  
6 disapprove the budget. If the county superintendent of schools  
7 disapproves the budget, he or she shall call for the formation of a  
8 budget review committee pursuant to Section 42127.1, unless the  
9 governing board of the school district and the county  
10 superintendent of schools agree to waive the requirement that a  
11 budget review committee be formed and the department approves  
12 the waiver after determining that a budget review committee is  
13 not necessary. Upon the grant of a waiver, the county  
14 superintendent has the authority and responsibility provided to a  
15 budget review committee in Section 42127.3. Upon approving a  
16 waiver of the budget review committee, the department shall  
17 ensure that a balanced budget is adopted for the school district by  
18 November 30. The Superintendent shall report to the Legislature  
19 and the Director of Finance by December 10 if any district,  
20 including a district that has received a waiver of the budget  
21 review committee process, does not have an adopted budget by  
22 November 30. This report shall include the reasons why a budget  
23 has not been adopted by the deadline, the steps being taken to  
24 finalize budget adoption, and the date the adopted budget is  
25 anticipated.

26 (4) Not later than 45 days after the Governor signs the annual  
27 Budget Act, the school district shall make available for public  
28 review any revisions in revenues and expenditures that it has  
29 made to its budget to reflect the funding made available by that  
30 Budget Act.

31 (j) Any school district for which the county board of education  
32 serves as the governing board is not subject to subdivisions (c) to  
33 (h), inclusive, but is governed instead by the budget procedures  
34 set forth in Section 1622.

35 SEC. 20. Section 42132 of the Education Code is amended to  
36 read:

37 42132. On or before September 15 of each year, the  
38 governing board of each school district shall adopt a resolution to  
39 identify, pursuant to Division 9 (commencing with Section 7900)  
40 of Title 1 of the Government Code, the estimated appropriations

1 limit for the district for the current fiscal year and the actual  
2 appropriations limit for the district for the preceding fiscal year.  
3 That resolution shall be adopted at a regular or special meeting of  
4 the governing board. Notwithstanding Section 7910 of the  
5 Government Code, documentation used in the identification of  
6 the appropriations limits shall be made available to the public on  
7 the date of the meeting.

8 ~~SEC. 21. Section 42238.23 of the Education Code is amended~~  
9 ~~to read:~~

10 ~~42238.23. Notwithstanding any other provision of law,~~  
11 ~~persons providing services to local educational agencies through~~  
12 ~~use of a joint powers authority involving the local education~~  
13 ~~agency who would, in absence of the joint powers authority,~~  
14 ~~otherwise be considered school employees and subject to the~~  
15 ~~Public Employees' Retirement System rate reduction to revenue~~  
16 ~~limits authorized in Section 42238.12, shall not be excluded from~~  
17 ~~the calculations of the Public Employees' Retirement System~~  
18 ~~reduction authorized in that section.~~

19 ~~SEC. 22.~~

20 *SEC. 21.* Section 42282 of the Education Code is amended to  
21 read:

22 42282. For each district with fewer than 2,501 units of second  
23 principal apportionment average daily attendance, on account of  
24 each necessary small school, the county superintendent shall  
25 make the following computations:

26 (a) For each necessary small school which has an average  
27 daily attendance during the fiscal year of less than 26, exclusive  
28 of pupils attending the 7th and 8th grades of a junior high school,  
29 and for which school at least one teacher was hired full time, the  
30 county superintendent shall compute for the district fifty-two  
31 thousand nine hundred twenty-five dollars (\$52,925).

32 (b) For each necessary small school which has an average  
33 daily attendance during the fiscal year of 26 or more and less  
34 than 51, exclusive of pupils attending the 7th and 8th grades of a  
35 junior high school, and for which school at least two teachers  
36 were hired full time for more than one-half of the days schools  
37 were maintained, the county superintendent shall compute for the  
38 district one hundred five thousand eight hundred fifty dollars  
39 (\$105,850).

1 (c) For each necessary small school which has an average  
2 daily attendance during the fiscal year of 51 or more but less than  
3 76, exclusive of pupils attending the 7th and 8th grades of a  
4 junior high school, and for which school three teachers were  
5 hired full time for more than one-half of the days schools were  
6 maintained, the county superintendent shall compute for the  
7 district one hundred fifty-eight thousand seven hundred  
8 seventy-five dollars (\$158,775).

9 (d) For each necessary small school which has an average  
10 daily attendance during the fiscal year of 76 or more and less  
11 than 101, exclusive of pupils attending the 7th and 8th grades of  
12 a junior high school, and for which school four teachers were  
13 hired full time for more than one-half of the days schools were  
14 maintained, the county superintendent shall compute for the  
15 district two hundred eleven thousand seven hundred dollars  
16 (\$211,700). These school districts may use this funding  
17 calculation until the revenue limit per unit of average daily  
18 attendance multiplied by the average daily attendance produces  
19 state aid equal to the small school funding formula.

20 (e) For the 1998-99 fiscal year and each fiscal year thereafter,  
21 the ranges of average daily attendance specified in subdivisions  
22 (a) to (d), inclusive, shall be reduced by the statewide average  
23 rate of excused absence reported for elementary school districts  
24 for the 1996-97 fiscal year pursuant to Section 42238.7, with the  
25 resultant figures and ranges rounded to the nearest integer.

26 ~~SEC. 23.~~

27 *SEC. 22.* Section 42282.1 of the Education Code is amended  
28 to read:

29 42282.1. (a) Notwithstanding Section 42282, or any other  
30 provision of law, each necessary small school in the Death  
31 Valley Unified School District shall qualify for the  
32 apportionment specified in subdivision (b) of Section 42282 if  
33 that school has an average daily attendance of 21 or more and  
34 less than 51, exclusive of pupils attending the 7th and 8th grades  
35 of a junior high school, and for which school at least two teachers  
36 were hired full-time for more than one-half of the days schools  
37 were maintained.

38 (b) It is the intent of the Legislature not to provide a special  
39 allowance to the Death Valley Unified School District for one of

1 its schools by future legislation if the average daily attendance at  
2 the school is 18 or less.

3 ~~SEC. 24.~~

4 *SEC. 23.* Section 42285 of the Education Code is amended to  
5 read:

6 42285. (a) A necessary small high school for the purposes of  
7 Section 42284, is a high school with an average daily attendance  
8 of less than 301, excluding continuation schools, which comes  
9 within any of the following conditions (except that a single high  
10 school maintained by a unified district, or a high school  
11 maintained by any district for the exclusive purpose of educating  
12 juvenile hall pupils or pupils with exceptional needs, shall be  
13 considered a necessary small high school):

14 (1) The projection of its future enrollment on the basis of the  
15 enrollment of the elementary schools in the district shows that  
16 within eight years the enrollment in high school in grades 9 to 12,  
17 inclusive, will exceed 300 pupils.

18 (2) Any one of the following combinations of distance and  
19 units of average daily attendance applies:

20 (A) The high school had an average daily attendance of less  
21 than 100 in grades 9 to 12, inclusive, during the preceding fiscal  
22 year and is more than 15 miles by well-traveled road from the  
23 nearest other public high school and either 90 percent of the  
24 pupils would be required to travel 20 miles or 25 percent of the  
25 pupils would be required to travel 30 miles one way from a point  
26 on a well-traveled road nearest their homes to the nearest other  
27 public high school.

28 (B) The high school had an average daily attendance of 100 or  
29 more and less than 150 in grades 9 to 12, inclusive, during the  
30 preceding fiscal year and is more than 10 miles by well-traveled  
31 road from the nearest other public high school and either 90  
32 percent of the pupils would be required to travel 18 miles or 25  
33 percent of the pupils would be required to travel 25 miles one  
34 way from a point on a well-traveled road nearest their homes to  
35 the nearest other public high school.

36 (C) The high school had an average daily attendance of 150 or  
37 more and less than 200 in grades 9 to 12, inclusive, during the  
38 preceding fiscal year and is more than 7 ½ miles by well-traveled  
39 road from the nearest other public high school and either 90  
40 percent of the pupils would be required to travel 15 miles or 25

1 percent of the pupils would be required to travel 20 miles one  
2 way from a point on a well-traveled road nearest their homes to  
3 the nearest other public high school.

4 (D) The high school had an average daily attendance of 200 or  
5 more and less than 301 in grades 9 to 12, inclusive, during the  
6 preceding fiscal year and is more than five miles by well-traveled  
7 road from the nearest other public high school and either 90  
8 percent of the pupils would be required to travel 10 miles or 25  
9 percent of the pupils would be required to travel 15 miles to the  
10 nearest other public high school.

11 (3) Topographical or other conditions exist in the district  
12 which would impose unusual hardships on the pupils if the  
13 number of miles specified above were required to be traveled. In  
14 these cases, the Superintendent may, when requested, and after  
15 investigation, grant exceptions from the distance requirements.

16 (4) The Superintendent has approved the recommendation of a  
17 county committee on school district organization designating one  
18 of two or more schools as necessary isolated schools in a  
19 situation where the schools are operated by two or more districts  
20 and the average daily attendance of each of the schools is less  
21 than 301 in grades 9 to 12, inclusive.

22 (b) For the 1998-99 fiscal year and each fiscal year thereafter,  
23 the high school and junior high school average daily attendance  
24 figures specified in subdivision (a) and the ranges of average  
25 daily attendance specified in paragraph (2) of subdivision (a)  
26 shall be reduced by the statewide average rate of excused absence  
27 reported for high school districts for the 1996-97 fiscal year  
28 pursuant to Section 42238.7, with the resultant figures and ranges  
29 rounded to the nearest integer.

30 ~~SEC. 25.~~

31 *SEC. 24.* Section 42285.4 is added to the Education Code, to  
32 read:

33 42285.4. Notwithstanding any other provision of law, the  
34 River Delta Unified School District is eligible to receive  
35 apportionments pursuant to the schedule and criteria for small  
36 necessary high schools set forth in Section 42284 if the school  
37 district has no more than 3,000 units of average daily attendance.

38 ~~SEC. 26.~~

39 *SEC. 25.* Section 44225.6 of the Education Code is amended  
40 to read:

1 44225.6. (a) By April 15 of each year, the commission shall  
2 report to the Legislature and the Governor on the availability of  
3 teachers in California. This report shall include the following  
4 information:

5 (1) The number of individuals recommended for credentials by  
6 institutions of higher education and the type of credential or  
7 certificate, or both, for which they were recommended, including  
8 certificates issued pursuant to Sections 44253.3 and 44253.4.

9 (2) The number of individuals recommended by school  
10 districts operating district internship programs and the type of  
11 credential or certificate, or both, for which they were  
12 recommended, including certificates issued pursuant to Sections  
13 44253.3 and 44253.4.

14 (3) The number of individuals receiving an initial credential  
15 based on a program completed outside of California and the type  
16 of credential or certificate, or both, for which they were  
17 recommended, including certificates issued pursuant to Sections  
18 44253.3 and 44253.4.

19 (4) The number of individuals receiving an emergency permit,  
20 credential waiver, or other authorization that does not meet the  
21 definition of a highly qualified teacher under the No Child Left  
22 Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

23 (5) By county and school district, the number of individuals  
24 serving in the following capacities and as a percentage of the  
25 total number of individuals serving as teachers in the county and  
26 school district:

27 (A) University internship.

28 (B) District internship.

29 (C) Preinternship.

30 (D) Emergency permit.

31 (E) Credential waiver.

32 (F) Preliminary or professional clear credential.

33 (G) An authorization, other than those listed in this paragraph,  
34 that does not meet the definition of a highly qualified teacher  
35 under the No Child Left Behind Act of 2001 (20 U.S.C. Sec.  
36 6301 et seq.) by category of authorization.

37 (H) Certificate issued pursuant to Section 44253.3.

38 (I) Certificate issued pursuant to Section 44253.4.

39 (J) Certificate of completion issued pursuant to Section  
40 44253.10.

1 (6) The specific subjects and teaching areas in which there are  
2 a sufficient number of new holders of credentials to fill the  
3 positions currently held by individuals with emergency permits.

4 (b) The commission shall make this report available to school  
5 districts and county offices of education to assist them in the  
6 recruitment of credentialed teachers and shall make the report  
7 and supporting data publicly available on the commission's Web  
8 site.

9 (c) A common measure of whether teacher preparation  
10 programs are meeting the challenge of preparing increasing  
11 numbers of new teachers is the number of teaching credentials  
12 awarded. The number of teaching credentials recommended by  
13 these programs and awarded by the commission are indicators of  
14 the productivity of teacher preparation programs. The  
15 commission shall include in the report prepared for the  
16 Legislature and Governor pursuant to subdivision (a) the total  
17 number of teaching credentials recommended by all accredited  
18 teacher preparation programs authorized by the commission and  
19 the number recommended by each of the following:

20 (1) The University of California system.

21 (2) The California State University system.

22 (3) Independent colleges and universities that offer teacher  
23 preparation programs approved by the commission.

24 (4) Other institutions that offer teacher preparation programs  
25 approved by the commission.

26 ~~SEC. 27.~~

27 *SEC. 26.* Section 44252.1 of the Education Code is amended  
28 to read:

29 44252.1. (a) It is the intent of the Legislature that a credential  
30 candidate enrolled in a credential preparation program receive  
31 reasonable time to complete the program without meeting new  
32 requirements, including, but not limited to, requirements added  
33 by statutes, regulations, or commission standards, after the  
34 candidate's enrollment in the program. Further, to ensure that all  
35 candidates for a credential receive reasonable information and  
36 advice as they proceed through their program, the Legislature  
37 finds and declares that it is incumbent upon credential  
38 preparation programs to inform candidates of new requirements  
39 and extension provisions available to eligible candidates.

(b) For the purposes of this section, the following terms shall have the following meanings:

(1) “Enrolled” refers to an individual who, on or after January 1, 2002, continuously participates in and is working toward completing the requirements for a program that meets the minimum requirements for a California preliminary multiple or single subject teaching credential as specified in Section 44259. Whether an individual is enrolled shall be subject to verification by the Commission on Teacher Credentialing.

(2) “Continuously enrolled” refers to an individual who has begun a teacher preparation program and does not have a break in that participation that exceeds a period of 18 months.

(c) The commission shall adopt regulations to provide a credential candidate enrolled in a commission-accredited preparation program, including, but not limited to, an internship program as defined in Article 7.5 (commencing with Section 44325) and Article 3 (commencing with Section 44450), a professional preparation program as defined in Article 7 (commencing with Section 44320), or an integrated program of professional preparation as defined in Section 44259.1 with a grace period to complete the program without meeting new requirements, including, but not limited to, requirements added by statutes, regulations, or commission standards, after the candidate’s enrollment in the program. The commission shall also ensure through standards and accreditation procedures that credential preparation programs provide credential candidates with information about new requirements and extension provisions as outlined in this subdivision and subdivisions (d) and (e).

(1) The commission shall adopt regulations that provide a credential candidate enrolled in a commission-accredited preparation program time of not less than 24 months after enrollment in the program, during which time new or amended statutes, regulations, and commission standards that become effective and are imposed on credential candidates after the candidate’s enrollment date shall not apply to that candidate.

(2) The commission shall allow a credential candidate an extension of time in addition to the time specified pursuant to paragraph (1) to complete a credential program under the statutes, regulations, and commission standards in place at the

1 time of the candidate's enrollment if the candidate can  
2 demonstrate extenuating circumstances, including, but not  
3 limited to, personal or family illness, bereavement, or financial  
4 hardship and develops a plan, in consultation with the credential  
5 preparation program, for continued progress toward completion  
6 of the preparation program.

7 (d) The commission shall maintain a list of candidates who are  
8 allowed an extended time period to complete the program under  
9 the statutes, regulations, and commission standards in place at the  
10 time of the candidates' enrollment prior to the effective date of a  
11 new or amended statute, regulation, or standard. This list shall  
12 include the projected date of program completion for each  
13 candidate.

14 (e) (1) A credential candidate enrolled in an integrated  
15 program of professional preparation pursuant to subdivision (a)  
16 of Section 44259.1 is not subject to any new requirements added  
17 by statute, regulation, or commission standards if that candidate  
18 is continuously enrolled in the program, as defined in paragraph  
19 (2) of subdivision (b), and does not change the type of credential  
20 or program he or she is pursuing once enrolled.

21 (2) A credential candidate continuously enrolled in an  
22 integrated program of professional preparation pursuant to  
23 subdivision (a) of Section 44259.1 who has completed all  
24 requirements necessary to begin the student teaching component  
25 of his or her program shall be eligible to receive an extension of  
26 12 months, if necessary, to complete the outstanding  
27 requirements that were in place when that credential candidate  
28 began the preparation program, and shall not be subject to any  
29 new requirements added by statute, regulation, or commission  
30 standards, once that candidate begins the student teaching portion  
31 of his or her program.

32 (3) This subdivision does not limit the ability of a candidate to  
33 seek additional time to complete a credential pursuant to  
34 paragraph (2) of subdivision (c).

35 (4) By June 30, 2004, the commission shall report to the  
36 education policy committees in each house of the Legislature on  
37 the success of the integrated program of professional  
38 development pursuant to Section 44259.1 toward preparing  
39 teacher candidates, including, but not limited to, the number of  
40 students admitted to the teacher education component in each

1 program, the number of students who have completed all course  
2 requirements, including student teaching, and who have applied  
3 for a credential, the number of students applying for and  
4 receiving an extension pursuant to subdivision (e), and the  
5 information collected pursuant to subdivision (d).

6 (f) This section does not supersede subdivision (h) of Section  
7 44259.

8 (g) A modification of a credentialing examination by the  
9 commission that is made as the result of a validity study or a  
10 passing standard study shall not be considered a new requirement  
11 for purposes of this section.

12 (h) If credential preparation coursework that a credential  
13 candidate has not yet taken is modified, the candidate shall take  
14 the modified coursework instead of the previously required  
15 coursework unless the modified coursework is not readily  
16 available, the modified coursework would result in an increased  
17 cost to the candidate, or completion of the modified coursework  
18 would delay the candidate's completion of the credential  
19 preparation program.

20 (i) Once a candidate has received a preliminary California  
21 teaching credential pursuant to Section 44259 and is employed as  
22 the teacher of record in a California public school, the candidate  
23 shall not be subject to any new requirements for completing the  
24 induction phase required to obtain the professional clear teaching  
25 credential pursuant to Section 44279.4, for a period not to exceed  
26 the length of time provided for the preliminary teaching  
27 credential pursuant to Section 44251.

28 ~~SEC. 28.~~

29 *SEC. 27.* Section 44265.6 is added to the Education Code, to  
30 read:

31 44265.6. (a) Upon the request of an employing school  
32 district, county office of education or state special school, the  
33 Commission on Teacher Credentialing shall determine specific  
34 requirements for and issue a one-year specialist instruction  
35 emergency permit, solely for the purpose of instructing deaf or  
36 hearing-impaired pupils, to any prelingually deaf candidate upon  
37 medical or other appropriate professional verifications.

38 (b) The applicant is exempted from the requirements in  
39 Section 44252 and subdivision (b) of Section 44830.

1 (c) “Prelingually deaf” means, for purposes of this section, as  
2 having suffered a hearing loss prior to three years of age that  
3 prevents the processing of linguistic information through hearing,  
4 with or without amplification.

5 (d) The emergency specialist instruction permit issued under  
6 this section authorizes the holder to teach deaf and  
7 hearing-impaired pupils who are enrolled in state special schools  
8 or in special classes for pupils with hearing impairments.

9 (e) A one-year specialist instruction emergency permit issued  
10 pursuant to subdivision (a) may be reissued at the request of the  
11 employing school district, county office of education or state  
12 special school in accordance with criteria determined by the  
13 Commission on Teacher Credentialing.

14 ~~SEC. 29.~~

15 *SEC. 28.* Section 44664 of the Education Code is amended to  
16 read:

17 44664. (a) Evaluation and assessment of the performance of  
18 each certificated employee shall be made on a continuing basis as  
19 follows:

20 (1) At least once each school year for probationary personnel.

21 (2) At least every other year for personnel with permanent  
22 status.

23 (3) At least every five years for personnel with permanent  
24 status who have been employed at least 10 years with the school  
25 district, are highly qualified, if those personnel occupy positions  
26 that are required to be filled by a highly qualified professional by  
27 the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec.  
28 6301, et seq.), as defined in 20 U.S.C. Sec. 7801, and whose  
29 previous evaluation rated the employee as meeting or exceeding  
30 standards, if the evaluator and certificated employee being  
31 evaluated agree. The certificated employee or the evaluator may  
32 withdraw consent at any time.

33 (b) The evaluation shall include recommendations, if  
34 necessary, as to areas of improvement in the performance of the  
35 employee. If an employee is not performing his or her duties in a  
36 satisfactory manner according to the standards prescribed by the  
37 governing board, the employing authority shall notify the  
38 employee in writing of that fact and describe the unsatisfactory  
39 performance. The employing authority shall thereafter confer  
40 with the employee making specific recommendations as to areas

1 of improvement in the employee's performance and endeavor to  
2 assist the employee in his or her performance. If any permanent  
3 certificated employee has received an unsatisfactory evaluation,  
4 the employing authority shall annually evaluate the employee  
5 until the employee achieves a positive evaluation or is separated  
6 from the district.

7 (c) Any evaluation performed pursuant to this article which  
8 contains an unsatisfactory rating of an employee's performance  
9 in the area of teaching methods or instruction may include the  
10 requirement that the certificated employee shall, as determined  
11 necessary by the employing authority, participate in a program  
12 designed to improve appropriate areas of the employee's  
13 performance and to further pupil achievement and the  
14 instructional objectives of the employing authority. If a district  
15 participates in the Peer Assistance and Review Program for  
16 Teachers established pursuant to Article 4.5 (commencing with  
17 Section 44500), any certificated employee who receives an  
18 unsatisfactory rating on an evaluation performed pursuant to this  
19 section shall participate in the Peer Assistance and Review  
20 Program for Teachers.

21 (d) Hourly and temporary hourly certificated employees, other  
22 than those employed in adult education classes who are excluded  
23 by the provisions of Section 44660, and substitute teachers may  
24 be excluded from the provisions of this section at the discretion  
25 of the governing board.

26 ~~SEC. 30.~~

27 *SEC. 29.* Section 45037 of the Education Code is amended to  
28 read:

29 45037. (a) Except as provided in Section 45036, for the fiscal  
30 year 2001-02 and for any fiscal year thereafter in which a person  
31 renders service as a teacher in kindergarten or any of grades 1 to  
32 12, inclusive, who does not have a valid certification document,  
33 the school district or county office of education in which the  
34 person is employed shall be assessed a penalty that shall be in  
35 lieu of any loss of funding that would otherwise result under  
36 Chapter 6.10 (commencing with Section 52120) of Part 28. The  
37 penalty shall be calculated as provided in subdivision (b) and  
38 withheld from state funding otherwise due to the district or  
39 county office of education.

1 (1) Notwithstanding Section 46300, the attendance of the  
2 noncertificated person's pupils during the period of service shall  
3 be included in the computation of average daily attendance.

4 (2) The noncertificated person's period of service shall not be  
5 excluded from the determination of eligibility for incentive  
6 funding for a longer instructional day or year, or both, pursuant  
7 to Article 8 (commencing with Section 46200) of Chapter 2 of  
8 Part 26.

9 (b) (1) For each person who rendered service in the  
10 employment of the district or county office of education as a  
11 teacher in kindergarten or any of grades 1 to 12, inclusive, during  
12 the fiscal year, add the total number of schooldays on which the  
13 person rendered any amount of the service.

14 (2) For each person who rendered service in the employment  
15 of the district or county office of education as a teacher in  
16 kindergarten or any of grades 1 to 12, inclusive, during the fiscal  
17 year, for a period of service during which the person did not have  
18 a valid certification document, add the number of schooldays on  
19 which the person rendered any amount of the service without a  
20 valid certification document.

21 (3) Divide the number determined in paragraph (2) by the  
22 number determined in paragraph (1) and carry the result to four  
23 decimal places.

24 (4) Multiply a school district's revenue limit entitlement for  
25 the fiscal year, calculated pursuant to Section 42238, or it's  
26 funding amount calculated pursuant to Article 4 (commencing  
27 with Section 42280) of Chapter 7 of Part 24, as applicable, or a  
28 county office of education's funding for the fiscal year, for the  
29 program in which the noncertificated person rendered service by  
30 the number determined in paragraph (3).

31 (c) Beginning in 2002-03, if a county office of education  
32 releases a warrant ~~as compensation for service as a teacher~~ in  
33 favor of a person for whom a period of school district service is  
34 included in the calculation set forth in paragraph (2) of  
35 subdivision (b), *and the warrant is either compensation for*  
36 *employment as a teacher or for employment in some other*  
37 *capacity if the county office of education has direct knowledge or*  
38 *is in possession of information giving rise to a reasonable*  
39 *inference that the person is rendering service as a teacher*, the  
40 county office shall be assessed a penalty. The penalty assessed to

1 a county office for any fiscal year in which one or more district  
2 teachers did not have a valid certification document shall be  
3 equal to the lesser of three amounts as follows:

4 (1) Fifty percent of all penalties assessed for that fiscal year to  
5 all school districts in the county office's jurisdiction pursuant to  
6 subdivision (b).

7 (2) One-half percent of the total expenditures for that fiscal  
8 year from unrestricted resources, as defined in the California  
9 School Accounting Manual, in the county office's county school  
10 service fund, when two or fewer districts in the county office's  
11 jurisdiction are subject to penalties pursuant to subdivision (b).

12 (3) One percent of the total expenditures for that fiscal year  
13 from unrestricted resources, as defined in the California School  
14 Accounting Manual, in the county office's county school service  
15 fund, when three or more districts in the county office's  
16 jurisdiction are subject to penalties pursuant to subdivision (b).

17 (d) Except as provided in ~~subdivision (d)~~ of Section 41344.1,  
18 nothing in this section may be waived in whole or in ~~any~~ part.

19 ~~SEC. 31.~~

20 *SEC. 30.* Section 48213 of the Education Code is repealed.

21 ~~SEC. 32.~~

22 *SEC. 31.* Section 48213 is added to the Education Code, to  
23 read:

24 48213. If a pupil is excluded from attendance pursuant to  
25 Section 120230 of the Health and Safety Code or Section 49451  
26 of this code, or if a principal or his or her designee determines  
27 that the continued presence of the child would constitute a clear  
28 and present danger to the life, safety, or health of a pupil or  
29 school personnel, the governing board is not required to send  
30 prior notice of the exclusion to the parent or guardian of the  
31 pupil. The governing board shall send a notice of the exclusion as  
32 soon as is reasonably possible after the exclusion.

33 ~~SEC. 33.~~

34 *SEC. 32.* Section 48660.2 of the Education Code is amended  
35 to read:

36 48660.2. (a) Notwithstanding any other provision of law, and  
37 as a condition of receiving apportionments under this article,  
38 school districts operating one or more community day schools  
39 shall annually report to the Superintendent, on forms approved  
40 by the State Board of Education, the direct instructional costs and

documented support costs of their community day schools, using definitions included in the California School Accounting Manual, Part I, as it read on July 1, 1997, except that districts may include in these reports the costs of rents and leases for facilities used by community day schools and maintenance and operations costs for facilities used by community day schools. Each school district that has received approval from the department to use the standardized account code structure may satisfy the requirement set forth in this subdivision by reporting the direct costs of the community day school program, and shall maintain documentation of all noninstructional costs charged to the community day school program.

(b) The Superintendent shall do each of the following:

(1) Multiply the total of all funds received by each school district on behalf of pupils while enrolled in community day schools by 0.9.

(2) Subtract the total of each school district's costs for community day schools, as determined pursuant to subdivision (a), from the amount determined pursuant to paragraph (1).

(3) If the amount determined pursuant to paragraph (2) for a school district is positive, the Superintendent shall subtract that amount from the school district's next apportionment.

(c) (1) For purposes of making the computation required by paragraph (1) of subdivision (b) for the 2004-05 fiscal year, the "total of all funds received" means the total of all funds received in the 2002-03 to 2004-05 fiscal years, inclusive.

(2) For purposes of making the computation required by paragraph (2) of subdivision (b) for the 2004-05 fiscal year, the "school district's costs" means the school district's costs incurred in the 2002-03 to 2004-05 fiscal years, inclusive.

~~SEC. 34.~~

*SEC. 33.* Section 48900.8 of the Education Code is amended to read:

48900.8. For purposes of notification to parents, and for the reporting of expulsion or suspension offenses to the department, each school district shall specifically identify, by offense committed, in all appropriate official records of a pupil each suspension or expulsion of that pupil for the commission of any of the offenses set forth in Section 48900, 48900.2, 48900.3, 48900.4, 48900.7, or 48915.

1     ~~SEC. 35.~~

2     *SEC. 34.* Section 48980 of the Education Code is amended to  
3 read:

4     48980. (a) At the beginning of the first semester or quarter of  
5 the regular school term, the governing board of each school  
6 district shall notify the parent or guardian of a minor pupil  
7 regarding the right or responsibility of the parent or guardian  
8 under Sections 35291, 46014, 48205, 48207, 48208, 49403,  
9 49423, 49451, 49472, and 51938 and Chapter 2.3 (commencing  
10 with Section 32255) of Part 19.

11     (b) The notification also shall advise the parent or guardian of  
12 the availability of individualized instruction as prescribed by  
13 Section 48206.3, and of the program prescribed by Article 9  
14 (commencing with Section 49510) of Chapter 9.

15     (c) The notification shall also advise the parents and guardians  
16 of all pupils attending a school within the district of the schedule  
17 of minimum days and pupil-free staff development days, and if  
18 any minimum or pupil-free staff development days are scheduled  
19 thereafter, the governing board shall notify parents and guardians  
20 of the affected pupils as early as possible, but not later than one  
21 month before the scheduled minimum or pupil-free day.

22     (d) The notification also may advise the parent or guardian of  
23 the importance of investing for future college or university  
24 education for their children and of considering appropriate  
25 investment options including, but not limited to, United States  
26 Savings Bonds.

27     (e) Commencing with the 2000-01 school year, and each  
28 school year thereafter, the notification shall advise the parent or  
29 guardian of the pupil that, commencing with the 2003-04 school  
30 year, and each school year thereafter, each pupil completing 12th  
31 grade will be required to successfully pass the high school exit  
32 examination administered pursuant to Chapter 8 (commencing  
33 with Section 60850) of Part 33. The notification shall include, at  
34 a minimum, the date of the examination, the requirements for  
35 passing the examination, and shall inform the parents and  
36 guardians regarding the consequences of not passing the  
37 examination and shall inform parents and guardians that passing  
38 the examination is a condition of graduation.

39     (f) Each school district that elects to provide a fingerprinting  
40 program pursuant to Article 10 (commencing with Section

1 32390) shall inform parents or guardians of the program as  
2 specified in Section 32390.

3 (g) The notification shall also include a copy of the district's  
4 written policy on sexual harassment established pursuant to  
5 Section 212.6, as it relates to pupils.

6 (h) The notification shall advise the parent or guardian of all  
7 existing statutory attendance options and local attendance options  
8 available in the school district. That notification shall include all  
9 options for meeting residency requirements for school  
10 attendance, programmatic options offered within the local  
11 attendance areas, and any special programmatic options available  
12 on both an interdistrict and intradistrict basis. That notification  
13 shall also include a description of all options, a description of the  
14 procedure for application for alternative attendance areas or  
15 programs, an application form from the district for requesting a  
16 change of attendance, and a description of the appeals process  
17 available, if any, for a parent or guardian denied a change of  
18 attendance. The notification shall also include an explanation of  
19 the existing statutory attendance options including, but not  
20 limited to, those available under Section 35160.5, Chapter 5  
21 (commencing with Section 46600) of Part 26, subdivision (f) of  
22 Section 48204, and Article 1.5 (commencing with Section  
23 48209) of Chapter 2 of Part 27. The department shall produce  
24 this portion of the notification and shall distribute it to all school  
25 districts.

26 (i) It is the intent of the Legislature that the governing board of  
27 each school district annually review the enrollment options  
28 available to the pupils within their districts and that the school  
29 districts strive to make available enrollment options that meet the  
30 diverse needs, potential, and interests of California's pupils.

31 (j) The notification shall advise the parent or guardian that no  
32 pupil may have his or her grade reduced or lose academic credit  
33 for any absence or absences excused pursuant to Section 48205 if  
34 missed assignments and tests that can reasonably be provided are  
35 satisfactorily completed within a reasonable period of time, and  
36 shall include the full text of Section 48205.

37 (k) The notification shall advise the parent or guardian of the  
38 availability of state funds to cover the costs of advanced  
39 placement examination fees pursuant to Section 52244.

1     ~~SEC. 36.~~

2     *SEC. 35.* Section 49423 of the Education Code is amended to  
3 read:

4     49423. (a) Notwithstanding Section 49422, any pupil who is  
5 required to take, during the regular schoolday, medication  
6 prescribed for him or her by a physician or surgeon, may be  
7 assisted by the school nurse or other designated school personnel  
8 or may carry and self-administer prescription auto-injectable  
9 epinephrine if the school district receives the appropriate written  
10 statements identified in subdivision (b).

11     (b) (1) In order for a pupil to be assisted by a school nurse or  
12 other designated school personnel pursuant to subdivision (a), the  
13 school district shall obtain both a written statement from the  
14 physician detailing the name of the medication, method, amount,  
15 and time schedules by which the medication is to be taken and a  
16 written statement from the parent, foster parent, or guardian of  
17 the pupil indicating the desire that the school district assist the  
18 pupil in the matters set forth in the statement of the physician.

19     (2) In order for a pupil to carry and self-administer  
20 prescription auto-injectable epinephrine pursuant to subdivision  
21 (a), the school district shall obtain both a written statement from  
22 the physician or surgeon detailing the name of the medication,  
23 method, amount, and time schedules by which the medication is  
24 to be taken, and confirming that the pupil is able to  
25 self-administer auto-injectable epinephrine, and a written  
26 statement from the parent, foster parent, or guardian of the pupil  
27 consenting to the self-administration, providing a release for the  
28 school nurse or other designated school personnel to consult with  
29 the health care provider of the pupil regarding any questions that  
30 may arise with regard to the medication, and releasing the school  
31 district and school personnel from civil liability if the  
32 self-administering pupil suffers an adverse reaction as a result of  
33 self-administering medication pursuant to this paragraph.

34     (3) The written statements specified in this subdivision shall  
35 be provided at least annually and more frequently if the  
36 medication, dosage, frequency of administration, or reason for  
37 administration changes.

38     (c) A pupil may be subject to disciplinary action pursuant to  
39 Section 48900 if that pupil uses auto-injectable epinephrine in a  
40 manner other than as prescribed.

~~SEC. 37.~~

*SEC. 36.* Section 49423.1 of the Education Code is amended to read:

49423.1. (a) Notwithstanding Section 49422, any pupil who is required to take, during the regular schoolday, medication prescribed for him or her by a physician~~and~~ or surgeon, may be assisted by the school nurse or other designated school personnel or may carry and self-administer inhaled asthma medication if the school district receives the appropriate written statements specified in subdivision (b).

(b) (1) In order for a pupil to be assisted by a school nurse or other designated school personnel pursuant to subdivision (a), the school district shall obtain both a written statement from the physician or surgeon detailing the name of the medication, method, amount, and time schedules by which the medication is to be taken and a written statement from the parent, foster parent, or guardian of the pupil requesting that the school district assist the pupil in the matters set forth in the statement of the physician or surgeon.

(2) In order for a pupil to carry and self-administer prescription inhaled asthma medication pursuant to subdivision (a), the school district shall obtain both a written statement from the physician or surgeon detailing the name of the medication, method, amount, and time schedules by which the medication is to be taken, and confirming that the pupil is able to self-administer inhaled asthma medication, and a written statement from the parent, foster parent, or guardian of the pupil consenting to the self-administration, providing a release for the school nurse or other designated school personnel to consult with the health care provider of the pupil regarding any questions that may arise with regard to the medication, and releasing the school district and school personnel from civil liability if the self-administering pupil suffers an adverse reaction by taking medication pursuant to this section.

(3) The written statements specified in this subdivision shall be provided at least annually and more frequently if the medication, dosage, frequency of administration, or reason for administration changes.

(c) A pupil may be subject to disciplinary action pursuant to Section 48900 if that pupil uses inhaled asthma medication in a manner other than as prescribed.

~~SEC. 38.~~

*SEC. 37.* Section 51226.1 of the Education Code is amended to read:

51226.1. (a) Upon adoption of the model curriculum standards developed pursuant to Section 51226, the Superintendent shall develop a curriculum framework consistent with criteria set forth in subdivision (a) of Section 60005 that offers a blueprint for implementation of career and technical education. The framework shall be adopted no later than April 1, 2007.

(b) In developing the framework, the Superintendent shall work in consultation and coordination with an advisory group, including, but not limited to, representatives from all of the following:

- (1) Business and industry.
- (2) Labor.
- (3) The California Community Colleges.
- (4) The University of California.
- (5) The California State University.
- (6) Classroom teachers.
- (7) School administrators.
- (8) Pupils.
- (9) Parents and guardians.
- (10) Representatives of the Legislature.
- (11) The department.
- (12) The Labor and Workforce Development Agency.

(c) In convening the membership of the advisory group set forth in subdivision (b), the Superintendent is encouraged to seek representation broadly reflective of the state population.

(d) Costs incurred by the superintendent in complying with this section shall be covered, to the extent permitted by federal law, by the state administrative and leadership funds available pursuant to the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. Sec. ~~2301~~ 2301 *et seq.*).

(e) In developing the framework, the Superintendent shall consider developing frameworks for various career pathways that

1 will prepare pupils for both career entry and matriculation into  
2 postsecondary education.

3 (f) Upon completion of the framework, the advisory group is  
4 encouraged to identify career technical education courses that  
5 meet state-adopted academic content standards and that satisfy  
6 high school graduation requirements and admissions  
7 requirements of the University of California and the California  
8 State University, and to determine the extent to which local  
9 educational agencies accept credit earned for the completion of  
10 those courses, in lieu of other courses of study.

11 (g) The adoption of the framework developed and adopted  
12 pursuant to this section by a local educational agency shall be  
13 voluntary.

14 ~~SEC. 39.~~

15 *SEC. 38.* Section 52247 of the Education Code is repealed.

16 *SEC. 39.* *Section 52515 of the Education Code is amended to*  
17 *read:*

18 52515. State funds shall not be apportioned to a school  
19 district ~~based on account of~~ the attendance of ~~pupils~~ *students*  
20 enrolled in adult schools, unless; the courses have been approved  
21 by the department pursuant to Section 41976.

22 *SEC. 40.* Section 52520 of the Education Code is amended to  
23 read:

24 52520. (a) Every vocational or occupational training program  
25 for adults offered by any high school district or unified school  
26 district shall be reviewed every two years by the governing board  
27 to assure that each ~~such~~ program does all of the following:

28 (1) Meets a documented labor market demand.

29 (2) Does not represent unnecessary duplication of other  
30 manpower training programs in the area.

31 (3) Is of demonstrated effectiveness as measured by the  
32 employment and completion success of its students.

33 (b) Any program that does not meet the requirements of  
34 subdivision (a) and the standards promulgated by the governing  
35 board shall be terminated within one year.

36 (c) The review process required by this section shall include  
37 the review and comments by the local workforce Investment  
38 board established pursuant to the Workforce Investment Act of  
39 1998 (29 U.S.C. Sec. 2801 et seq.), and pursuant to (Division 8  
40 (commencing with Section 15000) of the Unemployment

1 Insurance Code), which review and comments shall occur prior  
2 to any decision by the appropriate governing body.

3 SEC. 41. Section 52570 of the Education Code is amended to  
4 read:

5 52570. The governing board of any school district  
6 maintaining secondary schools or the county superintendent of  
7 schools, shall have the power, with the approval of the  
8 Department of Education, to establish special classes for adults  
9 designed to serve the educational needs of adults with  
10 disabilities. These classes shall be directed to providing  
11 instruction in civic, vocational, literary, homemaking, technical,  
12 and general education and shall conform to standards of  
13 attendance, curriculum, and administration established by the  
14 department. Attendance of adults with disabilities in such classes  
15 established by the county superintendent of schools shall be  
16 included for purposes of apportionments to the county school  
17 service fund.

18 SEC. 42. Section 52571 of the Education Code is amended to  
19 read:

20 52571. Special classes for adults with disabilities may be  
21 conducted under the direction of the governing board of the  
22 school district in workshop and training facilities provided by  
23 nonprofit organizations, or in public school facilities. These  
24 facilities may include those where part-time paid work education  
25 and training is conducted and where less than the state minimum  
26 wage is paid.

27 SEC. 43. Section 52572 of the Education Code is amended to  
28 read:

29 52572. The governing board of any school district or the  
30 county superintendent of schools authorized by this article to  
31 establish special classes for adults designed to serve the  
32 educational needs of adults with disabilities may contract for the  
33 providing of ~~such~~ those classes by any adjacent high school  
34 district or unified school district, subject to the approval of the  
35 Superintendent. For purposes of apportionments, the average  
36 daily attendance in classes conducted pursuant to the contract  
37 shall accrue to and be reported by the district in which the  
38 student resides. Any contract entered into pursuant to this section  
39 shall be for a term of not to exceed one year but may be renewed  
40 or revised and renewed annually.

1 SEC. 44. Section 54749 of the Education Code is amended to  
2 read:

3 54749. (a) For the 2000-01 fiscal year and each fiscal year  
4 thereafter, a school district or county superintendent of schools  
5 participating in Cal-SAFE is eligible for state funding from funds  
6 appropriated for services provided for the purposes of the  
7 program as follows:

8 (1) A support services allowance of two thousand two hundred  
9 thirty-seven dollars (\$2,237) for each unit of average daily  
10 attendance generated by each pupil who has completed the intake  
11 process pursuant to subdivision (a) of Section 54746 and is  
12 receiving services pursuant to subdivision (b) of Section 54746.  
13 This allowance shall be adjusted annually by the inflation factor  
14 set forth in subdivision (b) of Section 42238.1. In no event shall  
15 more than one support service allowance be generated by any  
16 pupil concurrently enrolled in more than one educational  
17 program.

18 (A) A support services allowance may not be claimed for units  
19 of average daily attendance reported pursuant to the following:

20 (i) Subdivision (b) of Section 1982 for pupils attending county  
21 community schools operated pursuant to Chapter 6.5 of Part 2  
22 (commencing with Section 1980).

23 (ii) Pupils attending juvenile court schools operated pursuant  
24 to Article 2.5 (commencing with Section 48645) of Chapter 4 of  
25 Part 27.

26 (iii) Pupils attending community day schools operated  
27 pursuant to Article 3 (commencing with Section 48660) of  
28 Chapter 4 of Part 27.

29 (iv) Pupils attending a county operated Cal-SAFE program  
30 pursuant to this article whose attendance is reported pursuant to  
31 Section 2551.3.

32 (B) A support services allowance may not be used to supplant  
33 average daily attendance and revenue limit funding provided  
34 pursuant to paragraph (2) for the support of educational programs  
35 that Cal-SAFE program pupils attend.

36 (2) Average daily attendance and revenue limit funding for  
37 pupils receiving services in the Cal-SAFE program shall be  
38 computed pursuant to provisions and regulations applicable to  
39 the educational program or programs that each pupil attends,  
40 except as provided in paragraph (3).

(3) For attendance not claimed pursuant to paragraph (2), a county office of education may claim the statewide average revenue limit per unit of average daily attendance for high school districts, payable from Section A of the State School Fund, for the attendance of pupils receiving services in the Cal-SAFE program, provided that no other revenue limit funding is claimed for the same pupil and pupil attendance of no less than 240 minutes per day and is computed and maintained pursuant to Section 46300.

(4) Except as provided in subdivision (c) of Section 54749.5, operators of Cal-SAFE programs shall be reimbursed in accordance with the amount specified in subdivision (b) of Section 8265 and the amounts specified in subdivisions (a) and (b) of Section 8265.5 for each child receiving services pursuant to the Cal-SAFE program who is the child of teen parents enrolled in the Cal-SAFE program. To be eligible for funding pursuant to this paragraph, the operational days of child care and development programs are only those necessary to provide child care services to children of pupils participating in Cal-SAFE.

(5) Notwithstanding paragraph (1), pupils for whom attendance is reported pursuant to subdivision (b) of Section 1982, pupils attending juvenile court schools, and pupils attending community day schools may complete the intake process for the Cal-SAFE program and, if the intake process is completed, shall receive services pursuant to subdivision (b) of Section 54746. The children of pupils receiving services in the Cal-SAFE program pursuant to subdivision (b) of Section 54746 and attending juvenile court schools, county community schools, or community day schools are eligible for funding pursuant to paragraph (4) and no other provisions of this section.

(b) Funds allocated pursuant to paragraph (1) of subdivision (a) shall be accounted for separately and shall be expended only to provide the supportive services enumerated in subdivision (b) of Section 54746, to provide in-service training as specified in subdivision (d) of Section 54746, and for the expenditures enumerated in subdivision (d) of this section.

(c) Funds allocated pursuant to paragraph (4) of subdivision (a) shall be accounted for separately and shall be expended only to provide developmentally appropriate child care and development services pursuant to subdivision (c) of Section

1 54746 and staff development of child development program staff  
2 pursuant to subdivision (d) of Section 54746 for children of teen  
3 parents enrolled in the Cal-SAFE program for the purpose of  
4 promoting the children's development comparable to age norms,  
5 access to health and preventive services, and enhanced school  
6 readiness.

7 (d) Funds generated pursuant to Section 2551.3, subdivision  
8 (b) of Section 54749.5, and this section shall be accounted for  
9 separately and shall be expended only to provide the services  
10 enumerated in Section 54746 and the following expenditures as  
11 defined by the California State School Accounting Manual:

12 (1) Expenditures defined as direct costs of instructional  
13 programs.

14 (2) Expenditures defined as documented direct support costs.

15 (3) Expenditures defined as allocated direct support costs.

16 (4) Expenditures for indirect charges.

17 (5) Expenditures defined as facility costs, including the costs  
18 of renting, leasing, lease-purchase, remodeling, or improving  
19 buildings.

20 (e) Indirect costs may not exceed the lesser of the approved  
21 indirect cost rate or 10 percent.

22 (f) Expenditures that represent contract payments to  
23 community-based organizations and other governmental agencies  
24 pursuant to paragraph (10) of subdivision (b) of Section 54745  
25 for the operation of a Cal-SAFE program shall be included in the  
26 Cal-SAFE program account.

27 (g) To the extent permitted by federal law, any funding made  
28 available to a school district or county superintendent of schools  
29 is subject to all of the following conditions:

30 (1) The program is open to all eligible pupils without regard to  
31 any pupil's religious beliefs or any other factor related to  
32 religion.

33 (2) No religious instruction is included in the program.

34 (3) The space where the program is operated is not used in any  
35 manner to foster religion during the time used for operation of  
36 the program.

37 (h) A school district or county superintendent of schools  
38 implementing a Cal-SAFE program may establish a claims  
39 process to recover federal funds available for any services  
40 provided that are Medi-Cal eligible.

1 (i) For purposes of serving pupils enrolled in the Cal-SAFE  
2 program in a summer school program or enrolled in a school  
3 program operating more than 180 days, eligibility for child care  
4 services pursuant to subdivision (c) of Section 54746 shall be  
5 determined by the parent's hours of enrollment and shall be for  
6 only those hours necessary to further the completion of the  
7 parent's educational program.

8 (j) To meet startup costs for the opening of child care and  
9 development sites, as defined in subdivision (ab) of Section  
10 8208, and applicable regulations, a school district or county  
11 office of education may apply for a one-time 15-percent service  
12 level exemption within the amount appropriated in the annual  
13 Budget Act for the purposes of paragraph (4) of subdivision (a)  
14 for each site meeting the criteria set forth in subdivision (ab) of  
15 Section 8208. To the extent that Budget Act funding is  
16 insufficient to cover the full costs of Cal-SAFE child care,  
17 reimbursements to all participating programs shall be reduced on  
18 a pro rata basis. A school district or county office of education  
19 shall submit claims pursuant to this subdivision with other claims  
20 submitted pursuant to this section. Funding provided for startup  
21 costs shall be utilized for approvable startup costs enumerated in  
22 subdivision (a) of Section 8275.

23 (k) To meet costs for the renovation, repair, or improvement of  
24 an existing building to make the building suitable for licensure  
25 for child care and development services and for the purchase of  
26 new relocatable child care facilities for lease to school districts  
27 and contracting agencies that provide child care and development  
28 services, a school district or county office of education that  
29 provides child care pursuant to this article may apply for and  
30 receive funding pursuant to Section 8278.3.

31 (l) Notwithstanding any other provision of this article, the  
32 implementation of this article is contingent upon appropriations  
33 in the annual Budget Act for the purpose of its administration and  
34 evaluation by the department.

35 (m) Notwithstanding any other law, a charter school may  
36 apply for funding pursuant to this article and shall meet the  
37 requirements of this article to be eligible for funding pursuant to  
38 this section.

39 SEC. 45. Section 56195.7 of the Education Code is amended  
40 to read:

1     56195.7. In addition to the provisions required to be included  
2 in the local plan pursuant to Chapter 3 (commencing with  
3 Section 56205), each special education local plan area that  
4 submits a local plan pursuant to subdivision (b) of Section  
5 56195.1 and each county office that submits a local plan pursuant  
6 to subdivision (c) of Section 56195.1 shall develop written  
7 agreements to be entered into by entities participating in the plan.  
8 The agreements need not be submitted to the superintendent.  
9 These agreements shall include, but not be limited to, the  
10 following:

11     (a) A coordinated identification, referral, and placement  
12 system pursuant to Chapter 4 (commencing with Section 56300).

13     (b) Procedural safeguards pursuant to Chapter 5 (commencing  
14 with Section 56500).

15     (c) Regionalized services to local programs, including, but not  
16 limited to, all of the following:

17         (1) Program specialist service pursuant to Section 56368.

18         (2) Personnel development, including training for staff,  
19 parents, and members of the community advisory committee  
20 pursuant to Article 3 (commencing with Section 56240).

21         (3) Evaluation pursuant to Chapter 6 (commencing with  
22 Section 56600).

23         (4) Data collection and development of management  
24 information systems.

25         (5) Curriculum development.

26         (6) Provision for ongoing review of programs conducted, and  
27 procedures utilized, under the local plan, and a mechanism for  
28 correcting any identified problem.

29     (d) A description of the process for coordinating services with  
30 other local public agencies that are funded to serve individuals  
31 with exceptional needs.

32     (e) A description of the process for coordinating and providing  
33 services to individuals with exceptional needs placed in public  
34 hospitals, proprietary hospitals, and other residential medical  
35 facilities pursuant to Article 5.5 (commencing with Section  
36 56167) of Chapter 2.

37     (f) A description of the process for coordinating and providing  
38 services to individuals with exceptional needs placed in licensed  
39 children's institutions and foster family homes pursuant to  
40 Article 5 (commencing with Section 56155) of Chapter 2.

1 (g) A description of the process for coordinating and providing  
2 services to individuals with exceptional needs placed in juvenile  
3 court schools or county community schools pursuant to Section  
4 56150.

5 (h) A budget for special education and related services that  
6 shall be maintained by the special education local plan area and  
7 be open to the public covering the entities providing programs or  
8 services within the special education local plan area. The budget  
9 language shall be presented in a form that is understandable by  
10 the general public. For each local educational agency or other  
11 entity providing a program or service, the budget, at minimum,  
12 shall display the following:

13 (1) Expenditures by object code and classification for the  
14 previous fiscal year and the budget by the same object code  
15 classification for the current fiscal year.

16 (2) The number and type of certificated instructional and  
17 support personnel, including the type of class setting to which  
18 they are assigned, if appropriate.

19 (3) The number of instructional aides and other qualified  
20 classified personnel.

21 (4) The number of enrolled individuals with exceptional needs  
22 receiving each type of service provided.

23 (i) For multidistrict special education local plan areas, a  
24 description of the policymaking process that shall include a  
25 description of the local method used to distribute state and  
26 federal funds among the local educational agencies in the special  
27 education local plan area. The local method to distribute funds  
28 shall be approved according to the policymaking process  
29 established consistent with subdivision (f) of Section 56001 and  
30 pursuant to paragraph (3) of subdivision (b) of Section 56205.

31 (j) (1) In accordance with Section 1413 of Title 20 of the  
32 United States Code, each single-district special education local  
33 plan area established pursuant to Section 56195.1 shall have a  
34 written procedure for the ongoing review of programs conducted,  
35 and procedures utilized pursuant to Section 56205, under the  
36 local plan as defined pursuant to Section 56027 and administered  
37 pursuant to Section 56195, and a mechanism for correcting any  
38 identified problem pursuant to paragraph (6) of subdivision (c).

39 (2) Multidistrict special education local plan areas established  
40 pursuant to subdivision (b) of Section 56195.1 and a district or

1 districts joined with the county office in accordance with  
2 subdivision (c) of Section 56195.1 shall have a written agreement  
3 entered into by entities participating in the local plan that  
4 includes a provision for ongoing review of programs conducted,  
5 and procedures utilized, under the local plan, and a mechanism  
6 for correcting any identified problem pursuant to paragraph (6) of  
7 subdivision (c).

8 (3) The written procedure referenced in paragraph (1) and the  
9 written agreement referenced in paragraph (2) need not be  
10 submitted to the superintendent but shall be available upon  
11 request by the department.

12 SEC. 46. Section 56362.7 of the Education Code is amended  
13 to read:

14 56362.7. (a) The Legislature recognizes the need for  
15 specially trained professionals to assess and serve pupils of  
16 limited English proficiency. This is particularly true of pupils  
17 with exceptional needs or pupils with suspected disabilities.

18 (b) The commission shall develop a bilingual-crosscultural  
19 certificate of assessment competence for those professionals who  
20 may participate in assessments for placements in special  
21 education programs. The certificate shall be issued to holders of  
22 appropriate credentials, certificates, or authorizations who  
23 demonstrate, by written and oral examination, all of the  
24 following:

25 (1) That the person is competent in both the oral and written  
26 skills of a language other than English.

27 (2) That the person has both the knowledge and understanding  
28 of the cultural and historical heritage of the  
29 limited-English-proficient individuals to be served.

30 (3) That the person has the ability to perform the assessment  
31 functions the candidate is certified or authorized to perform in  
32 English and in a language other than English.

33 (4) That the person has knowledge of the use of instruments  
34 and other assessment techniques appropriate to evaluate  
35 limited-English-proficient individuals with exceptional needs and  
36 ability to develop appropriate data, instructional strategies,  
37 individualized education programs, and evaluations.

38 (c) Certificates of bilingual-crosscultural competence for  
39 special education professionals who implement individual

1 education plans requiring bilingual services shall be granted by  
2 the commission pursuant to Section 44253.7.

3 (d) It is not the intent of the Legislature in enacting this section  
4 that possession of any certificate established by this section be a  
5 state-mandated requirement for employment or continued  
6 employment. It is the intent that this is a matter for local  
7 educational agencies to determine.

8 SEC. 47. Section 56836.07 is added to the Education Code, to  
9 read:

10 56836.07. For the 2004-05 fiscal year and each fiscal year  
11 thereafter for which there is an appropriation in the annual  
12 Budget Act for this purpose, the Superintendent shall allocate  
13 funds per unit of average daily attendance reported for the special  
14 education local plan area to a special education local plan area  
15 for the purposes of Section 56331. For the 2004-05 fiscal year  
16 and each fiscal year thereafter for which there is an appropriation  
17 in the annual Budget Act for this purpose, the Superintendent  
18 shall determine a proportionate share, consistent with existing  
19 law, to the Los Angeles County Juvenile Court and Community  
20 School/Division of Alternative Education Special Education  
21 Local Plan Area based on the ratio of the amount per unit of  
22 average daily attendance determined pursuant to Section  
23 56836.10 to the amount of the statewide target per unit of  
24 average daily attendance determined pursuant to Section  
25 56836.11 for the 2004-05 fiscal year, and each fiscal year  
26 thereafter.

27 SEC. 48. Section 7572.5 of the Government Code is amended  
28 to read:

29 7572.5. (a) When an assessment is conducted pursuant to  
30 Article 2 (commencing with Section 56320) of Chapter 4 of Part  
31 30 of Division 4 of the Education Code, which determines that a  
32 child is seriously emotionally disturbed, as defined in Section  
33 300.7 of Title 34 of the Code of Federal Regulations, and any  
34 member of the individualized education program team  
35 recommends residential placement based on relevant assessment  
36 information, the individualized education program team shall be  
37 expanded to include a representative of the county mental health  
38 department.

39 (b) The expanded individualized education program team shall  
40 review the assessment and determine whether:

1 (1) The child's needs can reasonably be met through any  
2 combination of nonresidential services, preventing the need for  
3 out-of-home care.

4 (2) Residential care is necessary for the child to benefit from  
5 educational services.

6 (3) Residential services are available which address the needs  
7 identified in the assessment and which will ameliorate the  
8 conditions leading to the seriously emotionally disturbed  
9 designation.

10 (c) If the review required in subdivision (b) results in an  
11 individualized education program which calls for residential  
12 placement, the individualized education program shall include all  
13 the items outlined in Section 56345 of the Education Code, and  
14 shall also include:

15 (1) Designation of the county mental health department as lead  
16 case manager. Lead case management responsibility may be  
17 delegated to the county welfare department by agreement  
18 between the county welfare department and the designated  
19 mental health department. The mental health department shall  
20 retain financial responsibility for provision of case management  
21 services.

22 (2) Provision for a review of the case progress, the continuing  
23 need for out-of-home placement, the extent of compliance with  
24 the individualized education program, and progress toward  
25 alleviating the need for out-of-home care, by the full  
26 individualized education program team at least every six months.

27 (3) Identification of an appropriate residential facility for  
28 placement with the assistance of the county welfare department  
29 as necessary.

30 SEC. 49. Chapter 1.2 (commencing with Section 628) of Title  
31 15 of Part 1 of the Penal Code is repealed.

32 SEC. 50. Section 34501.5 of the Vehicle Code is amended to  
33 read:

34 34501.5. (a) The Department of the California Highway  
35 Patrol shall adopt reasonable rules and regulations which, in the  
36 judgment of the department, are designed to promote the safe  
37 operation of vehicles described in Sections ~~38045~~ 39830 and  
38 82321 of the Education Code and Sections 545 and 34500 of this  
39 code. The Commissioner of the California Highway Patrol shall  
40 appoint a committee of 11 members to act in an advisory

1 capacity when developing and adopting regulations affecting  
2 school pupil transportation buses and school pupil transportation  
3 operations. The advisory committee shall consist of 11 members  
4 appointed as follows:

5 (1) One member of the State Department of Education.  
6 (2) One member of the Department of Motor Vehicles.  
7 (3) One member of the Department of the California Highway  
8 Patrol.

9 (4) One member who is employed as a schoolbus driver.  
10 (5) One member of the Office of Traffic Safety in the  
11 Business, Transportation and Housing Agency.

12 (6) Two members who are schoolbus contractors, one of  
13 whom shall be from an urban area of the state and one of whom  
14 shall be from a rural area of the state, as determined by the  
15 department.

16 (7) Two members who are representatives of school districts,  
17 one of whom shall be from an urban area of the state and one of  
18 whom shall be from a rural area of the state, as determined by the  
19 department.

20 (8) One professionally licensed member of the American  
21 Academy of Pediatrics.

22 (9) One member representing school pupil transportation  
23 operations other than schoolbus operations.

24 (b) The department shall cooperate and confer with the  
25 advisory committee appointed pursuant to this section prior to  
26 adopting rules or regulations affecting school pupil transportation  
27 buses and school pupil transportation operations.

28 *SEC. 51. Section 11 of Chapter 14 of the Statutes of 2003 is*  
29 *amended to read:*

30 Sec. 11. (a) Notwithstanding Sections 17456, 17457, 17462,  
31 and 17463 of the Education Code, or any other law, from June 1,  
32 2003, to June 30, ~~2005~~ 2007, inclusive, the Oakland Unified  
33 School District may sell property owned by the district and use  
34 the proceeds from the sale to reduce or retire the emergency loan  
35 provided in Section 9 of this act. The sale only of property  
36 pursuant to this subdivision is not subject to Section 17459 or  
37 17464 of the Education Code.

38 (b) Notwithstanding any other provision of law, from June 1,  
39 2003, to June 30, ~~2005~~ 2007, inclusive, the Oakland Unified  
40 School District is not eligible for financial hardship assistance

pursuant to Article 8 (commencing with Section 17075.10) of Chapter 12.5 of Part 10 of the Education Code.

~~SEC. 50.~~

SEC. 52. Item 6110-183-0890 of Section 2.00 of Chapter 208 of the Statutes of 2004 is amended to read:

6110-183-0890—For local assistance, Department of Education, Instructional Support--Safe and Drug Free Schools and Communities Act of 1994 (Public Law 103-382), payable from the Federal Trust Fund ..... 52,939,000

Schedule:

(1) 20.10.045-Health and Physical Education, Drug Free Schools ..... 52,939,000

Provisions:

1. Local education agencies shall give priority in the expenditure of the funds appropriated by this item to create comprehensive drug and violence prevention programs that promote school safety, reduce the use of drugs, and create learning environments that are free of alcohol and guns and that support academic achievement for all pupils. In addition to preventing drug and alcohol use, prevention programs will respond to the crisis of violence in our schools by addressing the need to prevent serious crime, violence, and discipline problems. The Superintendent of Public Instruction shall (a) notify local education agencies of this policy, and (b) incorporate the policy into the department's compliance review procedures.
2. Of the funds appropriated in this item, \$1,526,000 is available for one-time grants for drug and violence prevention and intervention services for entitlements earned by a local educational agency in the 2003-04 fiscal year.

SEC. 53. Section 18 of Chapter 895 of the Statutes of 2004 is amended to read:

Sec. 18. (a) Notwithstanding any other law, the Commission on State Mandates shall, on or before December 31, 2005, for paragraphs (1) to (5), inclusive, and on or before January 31,

1 2006, for paragraph (6), reconsider its decision in 97-TC-21,  
2 relating to the School Accountability Report Card mandate, and  
3 its parameters and guidelines for calculating the state  
4 reimbursement for that mandate pursuant to Section 6 of Article  
5 XIII B of the California Constitution for each of the following  
6 statutes, *particularly* in light of federal *and state* statutes enacted  
7 and state court decisions rendered since these statutes were  
8 enacted:

9 ~~(a)~~

10 (1) Chapter 1463 of the Statutes of 1989.

11 ~~(b)~~

12 (2) Chapter 759 of the Statutes of 1992.

13 ~~(c)~~

14 (3) Chapter 1031 of the Statutes of 1993.

15 ~~(d)~~

16 (4) Chapter 824 of the Statutes of 1994.

17 ~~(e)~~

18 (5) Chapter 918 of the Statutes of 1997.

19 (6) Chapter 912 of the Statutes of 1997.

20 (b) *Notwithstanding any other provision of law, the decision of*  
21 *the Commission on State Mandates on its reconsiderations*  
22 *pursuant to subdivision (a) shall apply retroactively to January*  
23 *1, 2005.*

24 (c) *Notwithstanding any other provision of law, the parameters*  
25 *and guidelines associated with the test claim of 97-TC-21 shall*  
26 *be adjusted to conform to the decision of the Commission on*  
27 *State Mandates on its reconsiderations.*

28 (d) *In requiring these reconsiderations, the Legislature finds*  
29 *and declares all of the following:*

30 (1) *Proposition 98, a voter-approved statewide ballot initiative*  
31 *in 1988, established the School Accountability Report Card in*  
32 *Section 8.5 of Article XVI of the California Constitution.*

33 (2) *The initiative measure also added Section 35256 to the*  
34 *Education Code, which requires specified information to be*  
35 *included in the School Accountability Report Card.*

36 (3) *Section 35256 of the Education Code, as approved by the*  
37 *voters, also stated that the information required to be included in*  
38 *the School Accountability Report Card “is not limited to” that*  
39 *specified information.*

1     (4) By inclusion of the language described in paragraph (3),  
2     and requiring annual comparisons to the School Accountability  
3     Report Card template provided by the Superintendent of Public  
4     Instruction, the voters envisioned the need for future amendments  
5     to the contents of the School Accountability Report Card.

6     (5) Statutes amending the contents of the School Accountability  
7     Report Card further the purposes of the initiative, are necessary  
8     to implement the initiative, and are therefore reasonably within  
9     the scope of that initiative as well.

10    SEC. 54. The sum of one hundred thirty thousand dollars  
11    (\$130,000) is hereby appropriated from the California Memorial  
12    Scholarship Fund to the Scholarshare Investment Board for the  
13    purposes of establishing individual scholarship accounts for  
14    eligible participants and for administrative costs of the board  
15    pursuant to Section 70010.7 of the Education Code, and shall be  
16    allocated as follows:

17    (a) One hundred thousand dollars (\$100,000) for local  
18    assistance for scholarship awards and shall be available for  
19    expenditure until June 30, 2006.

20    (b) Thirty thousand dollars (\$30,000) for state operations to  
21    support the administration of the California Memorial  
22    Scholarship Program and shall be available until June 30, 2031.

23    ~~SEC. 51.~~

24    SEC. 55. With respect to Section 47 of this act, the  
25    Legislature finds and declares that a special law is necessary and  
26    that a general law cannot be made applicable within the meaning  
27    of Section 16 of Article IV of the California Constitution because  
28    of the unique circumstances of the Los Angeles County Juvenile  
29    Court and Community School/Division of Alternative Education  
30    Special Education Local Plan Area. The facts constituting the  
31    special circumstances are the larger pupil population and unique  
32    staffing and pupil needs.

33    ~~SEC. 52.~~

34    SEC. 56. No reimbursement is required by this act pursuant to  
35    Section 6 of Article XIII B of the California Constitution because  
36    this act provides for offsetting savings to local agencies or school  
37    districts that result in no net costs to the local agencies or school  
38    districts, within the meaning of Section 17556 of the Government  
39    Code.

1 However, if the Commission on State Mandates determines  
2 that this act contains other costs mandated by the state,  
3 reimbursement to local agencies and school districts for those  
4 costs shall be made pursuant to Part 7 (commencing with Section  
5 17500) of Division 4 of Title 2 of the Government Code.

6 ~~SEC. 53.~~

7 *SEC. 57.* This act is an urgency statute necessary for the  
8 immediate preservation of the public peace, health, or safety  
9 within the meaning of Article IV of the Constitution and shall go  
10 into immediate effect. The facts constituting the necessity are:

11 In order to ensure that the educational programs affected by  
12 this act are properly implemented pursuant to the clarifying,  
13 technical, and other changes made by this act, it is necessary for  
14 this act to take effect immediately.

15  
16  
17 **CORRECTIONS:** \_\_\_\_\_

18 **Text — Pages 20 and 77.**  
19 \_\_\_\_\_